

**OFFICE OF THE
SECRETARY OF DEFENSE**

FY 2000/2001 BIENNIAL BUDGET ESTIMATE

FEBRUARY 1999

**VOLUME 1
Justification for FY 2000**

**Operation and Maintenance, Defense-Wide
Office of the Inspector General
U.S. Count of Appeals for the Armed Forces
Overseas Humanitarian, Disaster and Civic Aid
Overseas Contingency Operations Transfer Fund
Former Soviet Union Threat Reduction**

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)						
FY 1998 <u>Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	FY 1999 <u>Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	FY 2000 <u>Estimate</u>
10,603.3	+307.1	+516.4	11,426.8	+290.5	-298.1	11,419.2

The Operation and Maintenance, Defense-Wide (O&M, D-W) appropriation supports a wide range of programs which have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Services. The Defense Agencies are essential to the accomplishment of the missions of the Military Departments. Functions of the various Agencies include direct readiness related programs, mobilization programs, training and education programs, and administration and servicewide activities, e.g., intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependent education, military personnel support, and management support to the Department. Additionally, this appropriation provides O&M funding for all Special Operations Forces.

At the summary level, the net change from FY 1999 to FY 2000 for O&M, D-W is \$-7.6 million and includes price growth of \$290.5 million and a net program decrease of \$298.1 million.

Highlights of the functional transfers and program changes between FY 1999 and FY 2000 are as follows:

Program Growth	<u>-298.1</u>
<ul style="list-style-type: none"> • Functional Transfers Out - primarily as the Defense Threat Reduction Agency (DTRA) transfers (1) host base responsibility for Johnston Atoll to the Air Force which will begin property disposal preparations and (2) its Weapons of Mass Destruction Program to the Army. 	-46.4
<ul style="list-style-type: none"> • Functional Transfers In - primarily for payments for renovating the Pentagon from the Pentagon Renovation Transfer Fund and for the Joint Total Asset Visibility Program from the Army. 	+117.9
<ul style="list-style-type: none"> • FY 1999 Emergency Supplemental for antiterrorism and classified programs funded in FY 1999 but not continued in FY 2000. 	-642.9
<ul style="list-style-type: none"> • FY 1999 DoD Appropriations Act congressional adds and earmarks funded in FY 1999 but not continued in FY 2000. These include Impact Aid, Military Personnel Information System, Automated Document Conversion, Repairs to Federally Funded Schools, Legacy Program, Mobility Enhancements, Fitzsimmons Army Hospital, Shipyard Infrastructure, etc. 	-208.6
<ul style="list-style-type: none"> • Classified programs. 	+196.5

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Business Practice and Financial Management Improvements – primarily additional investments in the Standard Procurement System, the Defense Travel System, Electronic Commerce, and the Defense Property and Accountability System. +140.4
- Information Technology (IT) Security and Initiatives - to include IT security enhancements by the Defense Information Services Agency, planning for the Defense Integrated Military Human Resources System, and the fielding the Defense Civilian Personnel Data System. +80.7
- Readiness to include Recruiting – Enhancements to special operations forces and joint force projection through the use of modeling and simulation as partially offset by a decrease to the Joint Chiefs of Staff Exercise Program. Additionally, to improve recruiting, the Joint Recruiting Advertising Program is increased. +73.7
- Education – Primarily for the continued build-up of the Defense Leadership and Management Program and improvements in dependent education services. The closure of dependent schools in Panama and Fort McClellan partially offsets this increase. +39.0
- Command and Control –Defense Information Systems Agency and Office of the Secretary of Defense initiatives to develop, field, and operate global command, control, and support systems for the warfighter. Partially offset by completion of software development for the Government Emergency Telecommunication Service (GETS) and of the integration of the Defense Message System (DMS). +5.4
- Civilian Personnel Downsizing (Net of Transfers). -65.2
- Net other program adjustments. +11.4

OPERATION AND MAINTENANCE, DEFENSE-WIDE

A brief description of the major budget activities, along with a description of significant changes between FY 1999 and FY 2000 follows:

Budget Activity 1: Operating Forces

(\$ in Millions)						
<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
1,598.7	+8.7	-51.3	1,556.1	+8.2	+37.7	1,602.0

Budget Activity 1 funds the following:

The operational activities of the U.S. Special Operations Command (USSOCOM) which provide vital and critical warfighting capability to the United States. The funds provide for:

- The deployment of special warfare operations worldwide. To include unique infiltration and exfiltration capabilities.
- The training and equipping of Special Operational Forces (SOF) warfighting personnel.
- The transportation of unique and special equipment and SOF personnel to any location worldwide.
- The participation of SOF units in overseas contingency operations.
- Maintenance and operation of SOF equipment.

The operational activities of The Joint Staff which support the Chairman, Joint Chiefs of Staff (CJCS). The funds provide for:

- CJCS command and control of U.S. military forces worldwide.
- Presidential and National Security Counsel support.
- Coordination of joint training exercises with the Services and the Defense Agencies and the transportation requirements of the CJCS Exercise Program.
- Development of war fighting models to improve joint training and the command and control of deployed U.S. and allied forces.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

From FY 1999 to FY 2000, the Operating Forces budget activity increases by \$45.9 million. The net change includes price growth of \$8.2 million and net program growth of \$37.7 million. Highlights of the \$37.7 million program growth follow:

Functional Transfer (\$-3.9 million): The FY 2000 budget request for Operating Forces recognizes the transfer of Joint Vision 2010 – Joint Experimentation funds from The Joint Staff to the U.S. Atlantic Command.

Other Program Changes (\$+41.6 million):

- FY 1999 Discontinued Programs (\$-22.0): The FY 2000 estimate for Operating Forces reflects a decrease of \$22.0 million for programs financed in FY 1999 but not continued in FY 2000, as detailed below:

Exercise Northern Edge	-7.1
Joint Threat Warning System	-1.0
Maritime Training	-5.1
Language Training	-1.0
CP/WMD	-7.8

- CJCS Exercise Program (\$-13.6 million) – The exercise OPTEMPO decreases by 5 percent from the FY 1999 level to reduce personnel operating tempo rates.

- SOF Readiness (\$+19.8 million) – Finances upgrades to the MH-60L and MH47D helicopters; upgrades to the MC-130E/H Combat Talon aircraft avionics; increases in contractor logistics support for the Planning and Rehearsal Information and Support (PARIS) Data Base Generation System; increases in the sustainment costs for Special Boat Unit (SBU) 22 as it converts from a Reserve unit to an Active unit; and for USSOCOM to assume Riverine missions training.

- SOF Operations (\$+40.4 million) – Finances various operational requirements including support for additional flying hours of SOF aircrews, contractor engineering support to meet operations and maintenance requirements, and the redeployment of SOF units stationed in Panama to Puerto Rico with the implementation of the Panama Canal Treaty.

- SOF Force Related Training and Operational Support (\$+4.5 million) - Finances increases requirements for language training for SOF operational units and Distance Learning Program to improve the delivery course training.

- Other Net BA-1 Program Changes (\$+12.5 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Budget Activity 2: Mobilization

<u>(\$ in Millions)</u>						
<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
35.2	+4	+2	35.8	+5	+2.0	38.3

Budget Activity 2 funds the Defense Logistics Agency Warstopper Program. This program includes items that are required for mobilization but do not have a peacetime demand that is adequate to maintain an industrial base sufficient for mobilization. Also included is the Industrial Readiness Program that focuses on the surge capability for critical troop support items and commodities supporting weapon systems and on ensuring that critical industrial surge capabilities can be implemented.

After considering price growth (\$0.5 million), the Warstopper Program reflects an increase of \$2.0 million in FY 2000. The FY 2000 increase provides additional funding for nerve agent antidotes, chemical protective suits and gloves, and more rigorous surge assessments and testing of prime vendors and other suppliers under long-term contracts.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
188.1	+2.8	+28.2	219.1	+3.1	+16.3	238.5

Budget Activity 3 funds the following:

- Defense Information School – American Forces Information Service (AFIS)
- Defense Acquisition University (DAU)
- Defense Leadership and Management Program (DLAMP) – Defense Human Resources Activity (DHRA)
- Joint Recruiting Advertising Program (JRAP) - DHRA
- DoD Polygraph Institute – Defense Security Service (DSS)
- Defense Nuclear Weapons School (DNWS) – Defense Threat Reduction Agency (DTRA)
- Financial Management and Executive Training Program (FMET) - Defense Finance and Accounting Service (DFAS)
- Special Operations Related Education and Training – U.S. Special Operations Command (USSOCOM)

From FY 1999 to FY 2000, the Training and Education budget activity increases by \$19.4 million. The net change includes price growth of \$3.1 million and a net program increase of \$16.3 million.

Functional Transfers (-\$5.5 million): The FY 2000 budget request for Training and Education recognizes the following functional transfers:

- Transfer of \$3.0 million of Financial Management and Executive Training (FMET) funds from the Defense Finance and Accounting Service to the Defense Working Capital Fund.
- Transfer of \$2.5 million and the Security Research Center from the Defense Security Service (DSS) O&M, Defense-Wide appropriation to the DSS Defense Working Capital Fund.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Other Program Changes (\$+21.8 million):

- Education (\$+11.9 million):

Financial Management and Executive Training (DFAS) (\$5.5 million) - The funding for executive, management, and technical training is increased to upgrade the skill levels of the DoD financial community and to gain an understanding of the DFAS financial and accounting operating systems.

Defense Leadership and Management Program (DHRA) (\$6.4 million) – Finances Component participation, instructor course development, establishment of permanent facility support, and student travel.

- Recruiting (\$+10.0 million):

Joint Recruiting and Advertising Program (DHRA) (\$10.0 million) – Funding is increased to field a corporate television advertising campaign, targeting both prospects and their influencers, to raise awareness and propensity to serve in the military.

- Other Net BA-3 Program Changes (\$-0.1 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Budget Activity 4: Administration and Servicewide Activities

(\$ in Millions)						
FY 1998 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>
8,781.3	+295.2	+539.3	9,615.8	+278.7	-354.1	9,540.4

Budget Activity 4 funds the following:

- Overall management of the Department of Defense including the Office of the Secretary of Defense (OSD), The Joint Staff (TJS), Washington Headquarters Services (WHS), and Defense Legal Services Agency (DLSA)
- Contract audit and administration - Defense Contract Audit Agency (DCAA), and the Defense Contract Management Command (DCMC) of the Defense Logistics Agency
- National Industrial Security Program - Defense Security Service (DSS)
- Nuclear and advanced weapons effects expertise – Defense Threat Reduction Agency (Formerly Defense Special Weapons Agency)
- Treaty verification responsibilities – Defense Threat Reduction Agency (Formerly On Site Inspection Agency)
- Technology Security Program – Defense Threat Reduction Agency (Formerly Defense Technology Security Administration)
- Education of Military Dependents - Department of Defense Dependents Education Activity (DoDDE)
- Communications activities for the control of worldwide strategic communications services - Defense Information Systems Agency (DISA)
- Central management of Prisoner of War/Missing Personnel affairs within the DoD - DoD Prisoner of War/Missing Personnel Office (DPMO)
- Civilian Personnel Management - DoD Human Resources Activity (DHRA)
- Executive, management, and technical training for the DoD financial community – Defense Finance and Accounting Service (DFAS)
- Information, audiovisual, and visual information activities – American Forces Information Service (AFIS)
- Technical and financial assistance to communities affected by base closures – Office of Economic Adjustment (OEA)
- Defense-Wide Logistics Services - Defense Logistics Agency (DLA)
- Provides program management and implementation support to Humanitarian Assistance and Demining Programs - Defense Security Cooperation Agency (DSCA)
- Intelligence functions and other classified activities (Defense Intelligence Agency, National Security Agency, and National Imagery and Mapping Agency).

The net change from FY 1999 to FY 2000 for Budget Activity 4 is \$-75.4 million and includes price growth of \$278.7 million and a net program decrease of \$354.1 million.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Functional Transfers (\$+80.9 million):

Transfers Out (\$-37.0 million)

- Transfers \$2.5 million from various Defense Agencies to the Air Force to support the DoD Computer Forensics Laboratory and Training (DCFLT) Program.
- Transfers personnel and associated resources for Johnston Atoll host-management responsibility (\$18.9 million) from the Defense Threat Reduction Agency to the Air Force.
- Transfers resources for the Homeland Defense Against Weapons of Mass Destruction (\$14.1 million) from the Defense Threat Reduction Agency to the Army, consistent with the Army's Executive Agent responsibility for the Domestic Preparedness Program.
- Transfers personnel and associated resources for the Chemical Weapons Demilitarization function (\$0.1 million) from the Defense Threat Reduction Agency to the Army.
- Transfers personnel and associated resources for USEUCOM treaty support (\$0.1 million) from the Defense Threat Reduction Agency to the Army.
- Transfers \$1.0 million from the Defense Finance and Accounting Service to the Army for the International Merchant Purchase Authorization Card Program.
- Transfers \$0.2 million from the Office of the Secretary of Defense to the Army for NATO support.
- Transfers \$0.1 million from the Washington Headquarters Services to the Army for Single Agency Manager (SAM) to partially offset costs for Pentagon information technology services.

Transfers In (\$+117.9 million):

- Transfer of \$2.4 million from the Military Departments (\$0.8 million each) to the Defense Information Systems Agency for the Joint Task Force-Computer Network Defense.
- Transfer of \$0.4 million and 12 full-time equivalents from the Defense Working Capital Fund (DWCF) to the Defense Security Service for polygraphers assigned to the DoD Polygraph Institute.
- Transfers \$21.4 million and the Joint Total Asset Visibility Program from the Army to the Defense Logistics Agency.
- Transfers \$89.3 million from the Pentagon Renovation Transfer Fund to the Defense Agencies.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Transfers \$0.6 million from the Navy's Space and Warfare Systems Command (SPAWARS) to the Defense Logistics Agency for contract administration services.

- Transfers \$3.8 million, 44 full-time equivalents, and the acquisition and assignment of GSA controlled space from the Pentagon Reservation Maintenance Revolving Fund to the Washington Headquarters Services O&M, Defense-Wide appropriation.

Other Program Changes (\$-435.0 million):

- **FY 1999 Emergency Supplemental (\$-642.9 million):** The FY 2000 estimate for Administration and Servicewide Activities reflects a decrease of \$642.9 million for antiterrorism and classified programs funded in FY 1999 by the Omnibus Consolidated and Emergency Supplemental Act, 1999 (P.L. 105-277) but not continued in FY 2000.

- **FY 1999 Discontinued Programs (\$-186.6 million):** The FY 2000 estimate for Administration and Servicewide Activities reflects a decrease of \$186.6 million for programs financed in FY 1999 but not continued in FY 2000, as detailed below:

Joint Multi-Dimensional Education & Analysis System	-3.1
Improved Cargo Methods and Technologies	-2.0
Automated Document Conversion	-25.4
Math Leadership Program	-0.4
New Parent Support Program – Enhanced Level	-8.1
Family Counseling and Crisis Services	-2.0
Desiccant Demo	-1.3
Repairs to Federally Funded Schools	-10.2
Impact Aid	-35.5
Agile Port Capability Study	-0.5
Fitzsimmons Army Hospital	-10.2
Shipyard Infrastructure Repair	-10.2
Pico Rivera	-4.1
Planning	-1.0
Legacy	-10.2
NIPC Technical Support	-5.1
Indian Lands Mitigation	-8.1
Mobility Enhancements	-10.2
Military Personnel Information System	-38.6
Youth Development and Leadership Program	-0.4

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Classified Programs (\$+196.5 million).

- Business Practice and Financial Management Improvements (\$+140.4 million):

Defense Information Systems Agency (DISA) (\$4.6 million) - Increased funding to accelerate identification of appropriate technology for enhancing DoD's electronic commerce infrastructure, central contractor registration operations, electronic buying and selling capabilities, and electronic document access for paperless contracting.

Defense Logistics Agency (DLA) (\$40.5 million). – Finances programs aimed at implementing the Standard Procurement System (SPS), Electronic Commerce initiatives, and improved property accountability procedures.

Office of the Secretary of Defense (OSD) (\$31.2 million) – Finances programs for (1) improving commercial practices to resolve overpricing problems, (2) assessing emerging best business practices, and (3) institutionalizing electronic commerce (EC).

Defense Travel System (DTS) (\$53.3 million) – Finances deployment of the DTS in FY 2000 - the year in which two-thirds of the total system is scheduled to be deployed.

National Industrial Security Program (NISP) (\$14.4 million) – Finances incremental workload for personnel security investigations (PSI) begun in prior year and not now funded through the Defense Security Service Defense Working Capital Fund PSI rates. Also finances increased security investigation workload created by a change to the telephone interview policy.

Other Business Practices and Financial Improvement program adjustments (\$-3.6 million).

- Information Technology (IT) Security and Initiatives (\$+80.7 million):

Defense Civilian Personnel Data System (DCPDS) (\$8.7 million) – Increases funding to complete fielding of the DCPDS in FY 2000 and to sustain, operate, and maintain the modern DCPDS for the Department.

Defense Integrated Military Human Resources System (DIMHRS) (\$20.3 million). – Finances the continued development of a new, single, all-component, fully integrated military personnel and pay management system, including congressional direction to establish a Defense Reform Initiative enterprise pilot program for military manpower and personnel information.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Information Security (\$40.4 million) – Finances the purchase of DoD-wide Enterprise Licenses for Defense Information Operation (DIO) Tools which provides licensing of commercial intrusion, detection, and warning software for all components of the Defense Information Infrastructure. Also finances enhancement application of DoD Public Key Infrastructure (PKI) certificates and incorporates security requirements into the Defense Message System in anticipation of the AUTODIN phase-out.

Other IT program adjustments (\$11.3 million).

- **Focused Logistics (\$+4.7 million):** Finances a new initiative that provides the coordinating authority for Joint vision 2010 logistics with day-to-day program management support and oversight.

- **Joint Doctrine/Joint Training System (JTS) (\$+3.3 million):** Finances the expanded development of joint Services doctrine and training aptitude. The JTS, which builds upon joint doctrine, is a four-phased systemic process designed to implement joint training programs.

- **Modeling and Simulation (\$+3.6 million):** Finances improvement in the analytical capability of software tools and simulations supporting the assessment requirement of the Chairman, the Joint Chiefs of Staff. These tools assist in conducting studies and evaluations of military forces' programs and strategies.

- **SATCOM Operations (\$+1.0 million):** Finances near-term improvements in the communications connectivity supporting the Chairman, Joint Chiefs of Staff.

- **Education (\$+27.1 million):**

Educational Program Enhancements (DoDDE) (\$6.5 million) – Finances enhancements in the following areas: Educational Reading Initiative, Small School Supplement, Unit School Assistant Principal, Service Learning, Reading Recovery in Framework Schools, Framework School Initiative, Area Middle Grades Initiative, and School Nurses.

President's Educational Initiatives (DoDDE) (\$21.0 million) – Finances enhanced learning opportunities in the early years and supports the President's initiative to improve the learning environment by building and modernizing schools. Program increases are associated with the implementation of a full day Kindergarten program, reduced pupil teacher ratios, and a summer school pilot program.

Textbook Implementation Buys (DoDDE) (\$8.4 million) – Finances the cyclical purchase of new textbooks for Health, Physical Education, and Math curriculums and additional books to support the reduced pupil teacher ratios and Full Day Kindergarten programs.

President's Technology Initiative (DoDDE) (\$-5.1 million) – Funding decreases with the completion of the President's Technology Initiative.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Panama and Fort McClellan Closures (\$-3.7 million) – Funding decreases with the closure of DoD Dependent Schools in Panama in accordance with the Panama Canal Treaty and the closure of Fort McClellan. Includes an offsetting increase of \$5.8 million to fund additional enrollment as military forces are relocated from Panama to Puerto Rico.

- Command and Control (\$+5.4 million):

Command Information Superiority Architecture (CISA) (\$5.8 million) – Finances a direct means for the ASD(C3I) to achieve information superiority through interoperable, integrated, and cost effective capabilities.

Spectrum Analysis and Management (\$7.3 million) – Finances the establishment of the Office of Spectrum Analysis and Management resulting from a Joint Staff study.

Defense Information Systems Network (DISN) and Other C2 Systems (\$40.9 million) – Finances the development and deployment of MILSTAR Voice Conferencing, Standardized Tactical Entry Point (STEP), Information Dissemination Management (IDM), and Global Broadcast Services (GBS) connectivity.

Government Emergency Telecommunications Service (GETS) (\$-21.0 million) – Program decreases as a result of the completion of vendor software developments.

Defense Message System (DMS) (\$-14.0 million) – Funding decreases with the completion of engineering, integration, and deployment support of the DMS.

Other Command and Control program adjustments (\$-13.6 million).

- Civilian Personnel Downsizing (\$-65.2 million) – This reduction results from the downsizing of Defense Agencies and Activities.

- Other BA-4 Net Program Changes (\$-3.0 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Summary by Budget Activity
 (\$ in Millions)
Operation and Maintenance, Defense-Wide

	<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
Total	10,603.3	307.1	516.4	11,426.8	290.5	-298.1	11,419.2

Budget Activity 1 - Operating Forces

	<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
Subtotal	1,598.7	8.7	-51.3	1,556.1	8.2	37.7	1,602.0
TJS	430.0	.1	-28.2	401.9	-2.2	-17.4	382.3
USSOCOM	1,168.7	8.6	-23.1	1,154.2	10.4	55.1	1,219.7

Budget Activity 2 - Mobilization

	<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
Subtotal	35.2	.4	.2	35.8	.5	2.0	38.3
DLA	35.2	.4	.2	35.8	.5	2.0	38.3

Budget Activity 3 - Training and Recruiting

	<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
Subtotal	188.1	2.8	28.2	219.1	3.1	16.3	238.5
AFIS	10.2	.1	-2.5	7.8	.1	1.6	9.5
DAU	93.0	1.5	.7	95.2	1.9	3.3	100.4
DFAS	24.4	.3	4.0	28.7	-.7	-10.0	18.0
DHRA	20.1	.3	13.7	34.1	.5	23.5	58.1

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)

Budget Activity 3 - Training and Recruiting (Continued)

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
DSS	7.2	.1	1.9	9.2	.2	-2.1	7.3
DTRA	.8	0	.1	.9	.1	-.1	.9
USSOCOM	32.4	.5	10.3	43.2	1.0	.1	44.3

Budget Activity 4 - Administration and Servicewide Activities

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
<u>Subtotal</u>	8,781.3	295.2	539.3	9,615.8	278.7	-354.1	9,540.4
AFIS	94.2	1.3	.3	95.8	1.9	-1.8	95.9
AT/DSP (No Year)	0	0	633.4	633.4	9.5	-642.9	0
CMP	61.9	.7	24.9	87.5	1.1	-1.1	87.5
INTELL	3,440.7	75.0	257.6	3,773.3	114.3	180.1	4,067.7
DCAA	315.1	9.4	-.6	323.9	12.0	4.7	340.6
DFAS	56.4	.7	-29.8	27.3	.3	-.5	27.1
DSS	178.3	.4	-104.6	74.1	1.2	9.1	84.4
DISA	739.3	15.8	-17.4	737.7	16.9	68.4	823.0
DLA	1,089.8	28.8	21.0	1,139.6	36.3	10.3	1,186.2
DLSA	8.7	.4	-.4	8.7	.4	.4	9.5
DoDDE	1,312.2	27.0	48.8	1,388.0	56.5	-67.6	1,376.9
DHRA	158.7	2.9	34.1	195.7	4.3	-9.8	190.2
DSCA	0	0	45.1	45.1	.7	19.8	65.6
DPMO	13.7	.3	.1	14.1	.4	0	14.5
DSWA	90.0	1.5	-91.5	0	0	0	0
DSA	95.7	1.1	-96.8	0	0	0	0
DTRA	0	0	233.8	233.8	4.2	-42.5	195.5

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)

Budget Activity 4 - Administration and Servicewide Activities (Continued)

	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
DTSA	10.4	.2	-10.6	0	0	0	0
FEMP	15.0	.2	-15.2	0	0	0	0
OEA	112.8	1.3	-58.9	55.2	.9	-25.2	30.9
OSD	398.4	7.8	-5.8	400.4	12.6	10.6	423.6
OSD (No Year)	0	0	.2	.2	0	-.2	0
OSIA	78.1	1.0	-79.1	0	0	0	0
TJS	123.4	13.6	-23.2	113.8	-.4	45.2	158.6
USSOCOM	38.7	.3	7.6	46.6	.8	-7.1	40.3
WHS	349.8	105.5	-233.6	221.7	4.8	96.0	322.5

OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 2000/2001 BIENNIAL BUDGET ESTIMATES

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AMERICAN FORCES INFORMATION SERVICE
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed:

The mission of the American Forces Information Service (AFIS) is to provide high-quality news, information, and entertainment to U. S. forces worldwide in order to promote and sustain unit and individual readiness, quality of life, and morale. AFIS trains public affairs, broadcast, and visual information professionals, and provides communications services to support the information needs of commanders and combat forces through the entire range of military operations and contingencies.

In carrying out its mission, AFIS directs all DoD command information policy; produces and distributes command information, news, sports, and current events broadcast radio and television, textual information, and imagery products to the DoD internal audience of 1.4 million active and 1.5 million reserve and National Guard military personnel--including Servicemembers at sea and overseas--and their families, and 711 thousand DoD civilians; directs audiovisual and visual information policies and activities for the DoD; manages the DoD Visual Information, Combat Camera, and Audiovisual Programs; manages the Combat Camera operations in DoD; provides the centralized management of selected DoD still and motion imagery; operates the Defense Information School (DINFOS) which provides all training in the Department for DoD and other personnel in public affairs and visual information specialties; engineers, acquires, and performs life-cycle management of commercial, off-the-shelf radio and television broadcast equipment and systems for all Armed Forces Radio and Television Service stations worldwide, as well as for visual information and audiovisual equipment and systems for DoD and other government activities; and operates the Stars and Stripes newspapers.

AFIS continues to implement several significant initiatives. The first is the increased leveraging of technology to improve our products, responsiveness, and service to our worldwide customer base. This initiative involves transitioning the production, storage, and distribution of most of our products from mechanical and paper-based methods to electronically-based means. Examples of efforts within this initiative include multiple radio and television broadcast channels for increased overseas broadcast programming choices, and the vastly expanded use of the World Wide Web, compact disks, and related technology to more quickly and easily distribute textual and imagery products. The second initiative is the reengineering and streamlining of AFIS's organizational structure and processes to meet the manpower and financial reductions imposed by the Quadrennial Defense Review and Defense Reform Initiative. Also included in this initiative is the use, as appropriate, of competitive sourcing, outsourcing, and commercial contracting. The third initiative is investigating ways to use new training technologies such as distance learning and computer-based instruction at the Defense

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I. Description of Operations Financed (Cont.):

Information School. The fourth initiative is development of new products and services to meet the increasing and changing internal information requirements of the DoD

AFIS's operating elements and major functions include:

- The Armed Forces Radio and Television Service (AFRTS) broadcasts command information, news, sports, current events, and entertainment overseas and to ships at sea for DoD uniformed, civilian employees, and family personnel via over 700 AFRTS outlets in 156 countries and 300-plus ships. This element is responsible for both program management of and development of policy, plans, and standards for all DoD radio and television broadcasting activities. This element is also responsible for the negotiation of Armed Forces Radio and Television broadcast frequency rights, international agreements required by any of the 156 host countries in which we broadcast, worldwide performing rights, and copyrights. In addition, this element commercially contracts for the production of command information announcements which replace commercial radio and television advertisements in broadcast programming aired overseas. This element also manages the Television-Audio Support Activity and the AFRTS Broadcast Center which broadcasts the radio and television programming overseas.

- The Armed Forces Radio and Television Service Broadcast Center acquires, transmits, duplicates, and distributes radio and television broadcast programming to the worldwide DoD audience.

- The Information Operations Directorate operates a news service which provides a means for the Secretary and senior-level Defense officials to communicate information about significant Defense issues and policies to DoD military and civilian personnel. The news service writes, produces, edits, gathers, and publishes numerous command information products used by more than 900 base, camp, and station newspaper editors in preparing their local publications as well as by military and civilian leadership in further explaining the activities of the Department to their personnel.

- The Stars and Stripes organization supports the production, printing, and distribution of the Stars and Stripes newspapers for U.S. servicemembers, their families, and DoD civilians stationed overseas.

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I. Description of Operations Financed (Cont.):

- The Policy and Alliances Directorate develops and monitors policy for Defense internal information publications; produces the Current News "Early Bird" and related publications directly supporting senior DoD leadership; interfaces with representatives of the Military Departments, the Joint Staff, the Combatant Commands, and other DoD Components to coordinate, focus, and partner their internal information programs and policies; and audits Defense publications and civilian-enterprise newspapers for compliance with current DoD policy on advertising and other content.

- The Public Services Coordination Office coordinates internal information issues of mutual interest between the DoD and other Federal, state, and local government agencies.

- The Defense Visual Information Directorate is responsible for both program management of and development of policy, plans, and standards for all DoD visual information, audiovisual, and Combat Camera activities. This element also manages the DoD Joint Combat Camera Center and the Defense Visual Information Center.

- The DoD Joint Combat Camera Center receives via satellite from deployed Combat Camera forces, processes, and distributes digital still and motion imagery of current military operations for use by the National Command Authority, Joint Staff, Combatant Commands, Military Departments, and other organizations in support of decision making, time-critical planning and information requirements, battlefield situational awareness, information warfare, training, public affairs, and legal and historical documentation.

- The Defense Visual Information Center (DVIC) is the DoD central repository for still and motion imagery of significant U.S. military operations and activities. The DVIC collects, catalogs, manages, and distributes selected general purpose DoD motion and still imagery for use by DoD Components, the government, and private sector. The images are used in support of operations, training, operational and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.

- The Television-Audio Support Activity provides engineering, procurement, and life-cycle management of commercial, off-the-shelf radio and television broadcast equipment and systems for all

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I. Description of Operations Financed (Cont.):

of the Military Services' radio and television stations worldwide, as well as for audiovisual and visual information equipment and systems for DoD and other government activities.

- The DoD Joint Visual Information Services Distribution Activity is the DoD central distribution activity for audiovisual productions and other visual information products for use by all DoD Components. These products are used in support of operations, training, and internal information.

- The Training Directorate is responsible for both program management of and development of policy, plans, and standards for all training in the DoD public affairs and visual information career fields. This element also interfaces with representatives of the Military Departments and other organizations to refine and coordinate public affairs and visual information training requirements.

- The Defense Information School (DINFOS) provides all training in the Department for DoD and other personnel in the public affairs and visual information specialties. Annually the DINFOS trains approximately 3,600 military and DoD civilian personnel as well as international students in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, visual information, graphics, and related equipment maintenance. Although the Military Services are drawing down, training provided by the DINFOS is increasing because of the high demand brought about by the fielding of highly technical new equipment such as computers, satellite transmission equipment, and digital imaging equipment; the Services' requirements to cross train personnel for "dual qualification" across career fields; and the transfer of functions to the Reserve Components which creates new training requirements for them. The DINFOS also provides contract advanced level training in public affairs, including communications theory and research, and advanced skill training in photojournalism/writing and video photography/broadcast journalism.

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II. Financial Summary (O&M: \$ in Thousands):

	FY 1998 <u>Actuals</u>	FY 1999		Current <u>Estimate</u>	FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>		
A. <u>Subactivity Group</u>					
1. BA-3 Training & Recruiting	10,166	7,998	7,913	7,833	7,512
2. BA-4 Administration & Servicewide Activities	<u>94,174</u>	<u>96,876</u>	<u>96,303</u>	<u>95,783</u>	<u>95,865</u>
Total	104,340	104,874	104,216	103,616	105,377

B. <u>Reconciliation Summary:</u>	Change	Change
	<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>
Baseline Funding	104,874	103,616
Congressional Adjustments	-6588	
Supplemental Request		
Price Change	-65	2,011
Functional Transfer		4,500
Program Changes	-535	(4,750)
Current Estimate	103,616	105,377

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

1. FY 1999 President's Budget Request	104,874
2. Congressional Adjustments (Undistributed)	
a. Transfer to Pentagon Renovation Transfer Fund	-220
b. DRI Savings	-90

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

2. Congressional Adjustments (Undistributed)(Cont.)		
c. Revised Economic Assumptions	-270	
d. Congressional Earmarks (Total)	-78	
3. Total Other Congressional Adjustments (Undistributed)		-658
4. FY 1999 Appropriated Amount		104,216
5. Price Changes		-65
6. Program Increase		
a. Retained inflation savings applied to continued development of electronic distribution of agency products.		65
7. Program Decrease		
a. Program reduction resulting from prudent downsizing.		-600
8. FY 1999 Current Estimate		103,616
9. Price Growth		2,011
10. Functional Transfers - In		
a. Funds transferred from Military Departments to retain qualification quotas at DINFOS.	1,600	

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

10. Functional Transfers - In (Cont.)

b. Realignment of the DoD Joint Visual Information Services Distribution Activity from the Army.	2,900
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11. Total Functional Transfers-In	4,500
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12. Program Increases

a. General Schedule Payroll: Anticipated Voluntary Incentive Buyouts in FY 2000.	122
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b. Purchased Communications (Non-DWCF): Telecommunications costs represent modest increase for the consolidation operation at DINFOS. The Satellite Network program is transitioning to a new, more powerful satellite and fiber optic transmission system for serving the European and Middle East area of operations. This covers 156 countries, including Bosnia and Saudi Arabia. As a result of the transition to the new service, additional sites where U.S. military are stationed can now be served with live TV and radio, for example 14 sites in Bahrain. Without this service these sites, where our troops are assigned, would not have American television and radio.	691
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c. Printing & Reproduction: DINFOS has expanded printing	527
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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

12. Program Increases(Cont.)

c. Printing & Reproduction Cont.):

responsibilities such as training programs and class syllabi. Remote printing costs for Stars and Stripes represent a full year's estimate for the United Kingdom and Italy. Increase in Korea is due to Won fluctuations.

d. Equipment Maintenance by Contract: Maintenance costs increased as a direct result of warranties expiring on equipment at the Defense Information School. 125

e. Nominal Increases: Disability Compensation, Travel of Persons, Pentagon Reservation Maintenance, Purchased Utilities. 85

13. Total Program Increases 1,550

14. Program Decreases

a. General Schedule Payroll: Personnel reductions achieved consistent with the NPR and QDR by streamlining operations, review and restructuring of mission requirements, revising work processes, and enhancing utilization of evolving technologies. -671

b. Defense Finance & Accounting Service: The projected -103

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

14. Program Decreases

- b. Defense Finance & Accounting Service (Cont.):
customer rates for FY 2000 were adjusted
downward.
- c. Rental Payments to GSA Leases (SLUC): Temporary space
released which lowered rate for outyears. -116
- d. Supplies & Materials (Non-DWCF): Completed consolidation
of the Defense Information School will diminish
supply requirements. Printing for the
Consolidated Stars and Stripes reduces
requirement for blank paper stock. -210
- e. Equipment Maintenance: Decrease in amount of equipment
contract for maintenance requirements due to
technological changes and equipment replacement. -169
- f. Facility Maintenance: The Defense Information School
had minor program reduction due to modification
of facility maintenance requirements. In FY 1998
and FY 1999 the AFRTS Broadcast Center
experienced one time costs for items such as HVAC
and security system upgrades. -481
- g. Equipment Purchases (Non-DWCF): Procurement of systems
and classroom furniture and life cycle
replacement of training equipment for the DINFOS
- which moved into a newly constructed facility -528

**AMERICAN FORCES INFORMATION SERVICE
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II. Financial Summary (O&M \$ in Thousands) (Cont.)

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

14. Program Decreases (Cont.)

g. Equipment Purchases (Non-DWCF)(Cont.):

in FY 1998 - began in FY 1997 and is continuing at a lesser pace in the outyears. New purchases of AFRTS broadcasting equipment allowed planned conversion to digital formats, the standard in the broadcast industry.

h. Other Contracts: Minimal decrease reflects adjustment in base operating costs for DINFOS. The Stars and Stripes newspapers received funding in FY 1998 and FY 1999 to cover non-recurring consolidation start-up costs. -3,988

i. Nominal Decreases: Commercial Transportation, Rents (Non-GSA), Postal Services (U.S.P.S.). -34

15. Total Program Decreases -6,300

16. FY 2000 Current Estimate 105,377

III. Performance Criteria and Evaluation Summary:

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Countries receiving radio and/or TV programming	156	156	156

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III. Performance Criteria and Evaluation Summary (Cont.):

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Land based TV/radio satellite receive dishes in use worldwide	690	950	1,120
Radio only satellite receive dishes in use worldwide	352	300	200
Navy ships receiving recorded radio & television programming	350	330	104
Navy ships receiving live radio & television programming	23	123	196
Satellite radio news, sports service, 24 hours/day	8,760	8,760	8,760
Satellite radio music service, 24 hours/day (8 formats)	70,080	70,080	70,080
Hours of TV program duplication	145,600	116,480	65,000
Satellite TV programming, 24 hours/day (3 formats)	26,280	26,280	26,280
TV & radio news stories released by AFRTS NewsCenter	780	780	780
Units of radio/TV internal information spots produced	431	350	350

Justification: AFRTS provides American radio and television products and services to U.S. forces overseas and on-board Navy ships. Both recorded and satellite delivered live radio and television programming is used in support of this mission. As AFRTS places additional services on the satellite system, there will be a corresponding increase in the TV and radio satellite receive dishes needed worldwide to receive those signals. Simultaneously, the requirement for recorded programming that must be mailed to overseas outlets and ships will decrease (beginning in FY 99). The internal information provided to the US Navy ships has been significantly enhanced by the live reception of AFRTS satellite (TV-Direct to Ship(DTS)) transmissions which provide two channels of television, three radio services, and textual products such as *Stripes Lite* via a 128 kbps data channel. As more TV-DTS satellite receive terminals are installed aboard ships, the number of the more limited-capability radio only satellite receive dishes will be reduced until that program ends in 2001. In FY 1998, due to a shortage, AFIS produced an extra radio spot series. Radio spots cost less than TV spots to produce. In FY 1999 and outyears the spot units returned to their normal mix of radio and TV spots.

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III. Performance Criteria and Evaluation Summary (Cont.):

TEXT-BASED COMMAND INFORMATION PRODUCTS	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Traditional print/hard copies of command information publications	1,200,000	400,000	300,000
Number of accesses of electronic products	8,000,000	21,000,000	33,000,000
Number of new special feature World Wide Web (WWW) site home pages developed	N/A	10	11
Number of new extended duration, in depth, subject-specific, WWW sites developed	N/A	3	5

Justification: Command Information publications contribute to the readiness, morale, and welfare of servicemembers, DoD civilian employees, and their families and are distributed to them through the most rapid distribution means available. During FY 1998, AFIS started transitioning virtually all text-based command information publications from traditional print/hard-copy to electronic distribution. Electronic distribution via the Internet's World Wide Web (WWW), electronic mail, and computer bulletin boards was accomplished during FY 1998 in place of, or in addition to, traditional print/hard copy dissemination. The data on the number of accesses of electronic command information products is based on the number of accessions, or "hits", from computer systems from within, and outside of, Department of Defense sites. These numbers reflect that our customers have either accessed the WWW site upon which our products reside or accessed individual products or pages on one of our WWW sites. As a consequence, in the outyears the number of traditional print/hard copies of publications is decreasing, while the number of electronic accessions will increase. A program is underway to determine if and how the material accessed is being further disseminated. Beginning in early FY 1999, AFIS developed two new products designed solely for electronic distribution. The number of special feature home pages and subject-specific WWW sites developed represents the compilation of a series of multiple electronic products targeted to convey a specific DoD theme, policy, or message.

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III. Performance Criteria and Evaluation Summary (Cont.):

DoD JOINT COMBAT CAMERA CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Number of Images Accessed	4,125,572	16,000,000	17,600,000
Number of Images Added Processed	19,032	22,653	25,371

Justification: The DoD Joint Combat Camera Center (JCCC) provides imagery of current military operations for use by the National Command Authority, Joint Staff, Combatant Commands, Military Departments, and other organizations in support of decision making, time critical planning and information requirements, battlefield situational awareness, information warfare, training, public affairs, and legal and historical documentation. With the increasing availability of imagery and customer requirements, and projected technological advances, the trend of increasing customer accesses through electronic means is expected to continue. The increase in "number of images accessed by customers" is due to new electronic access to the DoD JCCC World Wide Web (WWW) site through Defenselink. Prior to this, DoD JCCC images could only be accessed by U.S. military users. This Defenselink connection started in the 4th Quarter of FY 1998. We anticipate dramatically increased access to the DoD JCCC WWW by users outside of the military domain during FY 99. A further increase in images accessed is expected for FY 00. The number of images processed is directly linked to a number of factors including the type, nature, and number of military operations. For the past several years the number of images generated and processed has increased as the amount of and requirements for visual information products tied to military operations increased. This trend is also expected to continue in the outyears.

DEFENSE VISUAL INFORMATION CENTER (DVIC)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Motion picture film accessioned by feet	71,456	N/A	N/A
Minutes of videotape accessioned	32,142	N/A	N/A
Customer requests completed	10,991	12,500	14,000
Minutes of motion picture film to videotape transfer	35	N/A	N/A
Minutes of videotape duplication	1,304,856	N/A	N/A

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Still Images Accessioned	29,724	N/A	N/A
Still Images Reproduced	35,968	N/A	N/A
Imagery Items Accessioned into DVIC Holdings	53,183	100,000	35,000
Imagery Items Requested by and Delivered to Customers	263,480	280,000	300,000

Justification: The Defense Visual Information Center (DVIC) is the official DoD central records center for the storage and preservation of visual information records depicting DoD operations and other activities, and to provide these products to customers from the DoD, Federal and state agencies and American public until such time as the records are either transferred to the National Archives and Records Administration or disposed of in accordance with applicable Federal records schedules. A large portion of the DVIC's holdings have been digitized to enable remote electronic access.

The majority of the DVIC's performance criteria have been changed to reflect the evolution of imagery processes into digital technologies. The revised performance criteria will include the number of imagery items accessioned into DVIC holdings as a measure of the DVIC's efforts to meet its statutory requirements as a DoD Records Center; the number of customer requests completed as a measure of the customers who received DVIC products and services; and imagery items requested by and delivered to customers as a measure of the DVIC's output. An imagery item is described as a motion media scene, a still photographic image, a CD-ROM or a motion media production. The new performance criteria will provide a better measure of DVIC's efforts to accession and manage DoD record imagery and to satisfy customer's demands for products and services.

Motion Picture Film Accessioning (feet) - This workload has been on the decline as the DoD converts from high-speed motion picture film to shuttered video systems. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)(Cont.)

Justification (Cont.):

Videotape Accessioned (minutes) - Greater reliance upon the DVIC by the DoD Components as the central DoD repository facility for selected general purpose still and motion media products, and increased DoD conversion of motion picture film to videotape have resulted in a continuing increase of videotape materials to be accessioned. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

Customer Requests Completed - Customer requests continued to grow during FY 1998 as DoD customers continued to increase their confidence in and reliance upon DVIC's ability to satisfy their imagery requirements. This growth is expected to continue in the future.

Motion Picture Film to Videotape Transfer (minutes) - Overall customer demand for the older, motion picture footage continues to diminish at a very rapid rate. With this decline, requirements for film-to-tape transfers will eventually cease to exist. This performance element is no longer meaningful and is being dropped for FY 1999 and the outyears.

Videotape Duplication (minutes) - Duplication minutes continue to rise as the DoD Components request more copies of items in the DVIC holdings. In FY 1999 the workload in this element is being reported within the Imagery Items Requested and Delivered to Customers element.

Still Images Accessioned - Increases in still imagery accessioned from the DoD Components continue as they increase their confidence in and reliance upon the DVIC. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising significantly as the DoD becomes more technically sophisticated and increases its usage of VI products and as the DoD Components increase their confidence in and reliance upon the DVIC. In FY 1999 the workload in this element is being reported within the Imagery Items Requested and Delivered to Customers element.

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)(Cont.)

Justification (Cont.):

Imagery Items Accessioned into DVIC Holdings - During FY 98 the DVIC accessioned a total of over 83,000 items, including nearly 30,000 still images and approximately 53,000 other imagery items. The DVIC expects to accession a total of approximately 100,000 imagery items in FY 1999. The numbers of imagery items accessioned during FY 1998 and FY 1999 are much higher than the normally expected (average) levels and are due to the DVIC clearing up an extremely large backlog of imagery materials. The backlog will be cleared up by FY 2000 during which the number of imagery items accessioned will return to its approximate annual average of 35,000 items. This backlog resulted from a number of circumstances including an unusually large amount of materials unexpectedly being provided to the DVIC from several DoD Components.

Imagery Items Requested by and Delivered to Customers - During FY 98, the DVIC's customers requested and received over 263,000 imagery items including motion media scenes, still image products, CD-ROMs, and audiovisual productions. The increased size and relevancy of the DVIC's holdings as well as the efforts to make this imagery more accessible is producing a steady growth in workload. We expect this workload to continue to grow in future years with expanding customer confidence in the quantity and quality of the imagery in the DVIC's holdings.

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Purchase requests processed	6,484	5,700	5,500
Material release orders	8,910	7,700	7,500
Number of Military Standard Requisitioning System Process (MILSTRIP) requisitions	8,761	6,200	6,000
Catalog items (management control number assignments)	22,231	21,500	20,000

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III. Performance Criteria and Evaluation Summary (Cont.):

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA) (Cont.)

Justification: T-ASA provides design, engineering, procurement, logistical, and life-cycle management support for off-the-shelf radio and television broadcast equipment and systems for all Armed Forces Radio and Television Service stations worldwide, as well as visual information and audiovisual equipment and systems throughout the DoD. Due to the increased use of the International Merchant Purchase Authorization (IMPAC) card in the field, increased bulk buys (i.e., video compression and Air Force Broadcast Service projects), T-ASA shipping more items via direct shipment, and the continued budget reductions for T-ASA's customers, the number of Purchase Requests Processed, MILSTRIP Requisitions, Material Release Orders Processed, and Catalog Items is projected to decrease. This trend is expected to continue in the outyears.

DEFENSE INFORMATION SCHOOL	<u>FY 1998</u>	<u>FY 1999*</u>	<u>FY 2000*</u>
Student Load	2,782	3,619*	3,219*

Justification: The Defense Information School (DINFOS) provides joint-service training to Department of Defense military and civilian personnel and international students in the Public Affairs, Visual Information, and Broadcasting career fields. The student loading for the school is based on actual attendance to date and projections by the Military Services for attendance in FY 1999 through FY 2000. Resources currently allocated, as shown in associated exhibits, pay for all base operating support, except that directly related to the student support and for the costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction; for the services required to operate the school; and equipment to support the student load based on Military Service projections provided at the annual Structure and Manning Decision Review.

*Based upon estimates provided by the Military Services at the annual Structure and Manning Decision Review.

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III. Performance Criteria and Evaluation Summary (Cont.):

JOINT VISUAL INFORMATION SERVICES DISTRIBUTION ACTIVITY (JVISDA)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Number of Titles of Audiovisual Productions Distributed	6,351	6,800	6,500
Number of Copies of Audiovisual Productions Distributed	320,992	340,000	280,000
Number of Titles of Visual Information Products Distributed	129	210	260
Number of Copies of Visual Information Products Distributed	84,718	220,000	300,000

The Joint Visual Information Services Distribution Activity (JVISDA) is the DoD central distribution activity for audiovisual productions and other visual information products. Consistent with changing technology, and customer requirements, requests for audiovisual productions in film and videotape formats will begin declining after peaking in FY 1999. This trend is expected to continue in the outyears due to the same circumstances. Requests for visual information products, primarily in CD ROM formats, continue to increase each year. This trend is also expected to continue in the outyears.

IV. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/FY 2000</u>
<u>Military End Strength</u>				
Officer	69	51	50	-1
Enlisted	<u>384</u>	<u>331</u>	<u>301</u>	<u>-30</u>
Total	453	382	351	-31
 <u>Civilian End Strength</u>				
USDH	281	345	324	-21

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IV <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1999/FY 2000</u>
<u>Military Average Strength</u>				
Officer	60	44	44	0
Enlisted	<u>342</u>	<u>295</u>	<u>268</u>	<u>-27</u>
Total	402	339	312	-27
 <u>Civilian FTEs</u>				
USDH	296	345	330	-15

V. OP 32 Line Items as Applicable (Dollars in Thousands):

	<u>FY 1998 Actual</u>	<u>Change from FY 1998 to FY 1999</u>		<u>FY 1999 Estimate</u>	<u>Change from FY 1999 to FY 2000</u>		<u>FY 2000 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
General Schedule	19,324	360	-46	19,638	721	545	20,958
Wage Board	124		30	154	18	990	1,162
Benefits to Former Employees	23	0	91	114	0	24	138
Voluntary Separation Incentive Payments	744	0	-466	278	0	122	400
Disability Compensation	71	0	-30	41	0	11	52
Travel of Persons	1,236	13	-228	1,021	15	23	1,059

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V. OP 32 Line Items as Applicable (Dollars in Thousands) (Cont.):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY 2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Locally Procured							
DWCF Managed Sup & Mat	72	0	-33	39	0	0	39
Army DWCF Equipment	12	0	-7	5	0	0	5
Pentagon Reservation Maintenance	230	126	-2	354	-2	7	359
Defense Finance & Acctg Svcs	751	27	46	824	12	-103	733
Commercial Transportation	1,130	12	1,037	2,179	32	-20	2,191
Rental Payments to GSA Leases (SLUC)	1,111	0	361	1,472	0	-116	1,356
Purchased Utilities (Non-DWCF)	539	5	9	553	8	17	578
Purchased Communications (Non-DWCF)	19,972	219	1,368	21,559	323	691	22,573
Rents (Non-GSA)	54	0	47	101	1	-13	89
Postal Svcs (U.S.P.S.)	35	0	57	92	2	-1	93
Supplies & Materials (Non-DWCF)	4,024	44	-1,835	2,233	33	-210	2,056
Printing & Reproduction	3,378	37	381	3,796	56	527	4,379
Equipment Maintenance by Contract	4,246	46	543	4,835	72	-44	4,863
Facility Maintenance By Contract	807	8	329	1,144	18	-481	681
Equipment Purchases (Non-DWCF)	10,492	115	-6,595	4,012	60	-528	3,544

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V. OP 32 Line Items as Applicable (Dollars in Thousands) (Cont.):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY 2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Other Contracts	35,965	395	2,812	39,172	588	-1,691	38,069
Total	104,340	1,407	-2,131	103,616	2,011	-250	105,377

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Budget Activity-3 Training and Recruiting

I. Description of Operations Financed:

The American Forces Information Service (AFIS) trains public affairs, broadcast, and visual information professionals. In carrying out this mission, AFIS operates the Defense Information School (DINFOS) which provides all training in the Department for DoD and other personnel in public affairs and visual information specialties

One of AFIS's initiatives is investigating ways to use new training technologies such as distance learning and computer-based instruction at the Defense Information School.

AFIS's Training and Recruiting Budget Activity include:

- The Defense Information School (DINFOS) provides all training in the Department for DoD and other personnel in the public affairs and visual information specialties. Annually the DINFOS trains approximately 3,600 military and DoD civilian personnel as well as international students in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, visual information, graphics, and related equipment maintenance. Although the Military Services are drawing down, training provided by the DINFOS is increasing because of the high demand brought about by the fielding of highly technical new equipment such as computers, satellite transmission equipment, and digital imaging equipment; the Services' requirements to cross train personnel for "dual qualification" across career fields; and the transfer of functions to the Reserve Components which creates new training requirements for them. The DINFOS also provides contract advanced level training in public affairs, including communications theory and research, and advanced skill training in photojournalism/writing and video photography/broadcast journalism.

II. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. BA-3 Training & Recruiting	10,166	7,998	7,913	7,833	7,512

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II. Financial Summary (O&M \$ in Thousands) (Cont.)

B. Reconciliation Summary:

	<u>Change FY 1999/FY 1999</u>	<u>Change FY 1999/FY 2000</u>
Baseline Funding	7,998	7,833
Congressional Adjustments	-85	
Supplemental Request		
Price Change		137
Functional Transfer		1,600
Program Changes	-80	(58)
Current Estimate	7,833	9,512

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

1. FY 1999 President's Budget Request	7,998
2. Congressional Adjustments (Undistributed)	
a. DRI Savings	-21
b. Revised Economic Assumptions	-45
c. Congressional Earmarks (Total)	-19
3. Total Other Congressional Adjustments (Undistributed)	-85

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

4. FY 1999 Appropriated Amount	7,913
5. Program Decrease	
a. Program reduction resulting from prudent downsizing.	-80
6. FY 1999 Current Estimate	7,833
7. Price Growth	137
8. Functional Transfers - In	
a. Funds transferred from Military Departments to retain qualification quotas at the Defense Information School.	1,600
9. Program Increases	
a. Purchased Communications (Non-DWCF): Telecommunications costs represent modest increase for the consolidation operation at DINFOS.	3
b. Printing & Reproduction: DINFOS has expanded printing responsibilities such as training programs and class syllabi.	9
c. Equipment Maintenance by Contract: Maintenance costs increased as a direct result of warranties expiring on equipment at the Defense Information School.	125

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

10. Program Increases(Cont.)

d. Nominal Increases: Travel of Persons 18

11. Total Program Increases 155

12. Program Decreases

a. Supplies & Materials (Non-DWCF): Completed consolidation of the Defense Information School will diminish supply requirements. -41

b. Facility Maintenance: The Defense Information School had minor program reduction due to modification of facility maintenance requirements. In FY 1998 and FY 1999 the AFRTS Broadcast Center experienced one time costs for items such as HVAC and Security system upgrades. -481

c. Equipment Purchases (Non-DWCF): Procurement of systems and classroom furniture and life cycle replacement of training equipment for the DINFOS - which moved into a newly constructed facility in FY 1998 - began in FY 1997 and is continuing at a lesser pace in the outyears. -146

d. Other Contracts: Minimal decrease reflects adjustment in base operating costs for DINFOS. -22

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Budget Activity-3 Training and Recruiting

II. Financial Summary (O&M \$ in Thousands) (Cont.)

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

13. Total Program Decreases		-213
14. FY 2000 Current Estimate		9,512

III. Performance Criteria and Evaluation Summary:

DEFENSE INFORMATION SCHOOL	<u>FY 1998</u>	<u>FY 1999*</u>	<u>FY 2000*</u>
Student Load	2,782	3,619*	3,219*

Justification: The Defense Information School (DINFOS) provides joint-service training to Department of Defense military and civilian personnel and international students in the public affairs, visual information, and broadcasting career fields. The student loading for the school is based on actual attendance to date and projections by the Military Services for attendance in FY 1999 through FY 2000. Resources currently allocated, as shown in associated exhibits, pay for all base operating support, except that directly related to the student support and for the costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction; for the services required to operate the school; and equipment to support the student load based on Military Service projections provided at the annual Structure and Manning Decision Review.

*Based upon estimates provided by the Military Services at the annual Structure and Manning Decision Review.

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Budget Activity-3 Training and Recruiting

IV. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/FY 2000</u>
<u>Military End Strength</u>				
Officer	31	29	27	-2
Enlisted	<u>222</u>	<u>234</u>	<u>223</u>	<u>-11</u>
Total	253	263	250	-13
 <u>Civilian End Strength</u>				
USDH	38	38	38	0
 <u>Military Average Strength</u>				
Officer	27	25	24	-1
Enlisted	<u>198</u>	<u>208</u>	199	<u>-9</u>
Total	<u>225</u>	<u>233</u>	223	-10
 <u>Civilian FTEs</u>				
USDH	42	37	37	0

V. OP 32 Line Items as Applicable (Dollars in Thousands):

	<u>FY 1998 Actual</u>	<u>Change from FY 1998 to FY 1999</u>		<u>FY 1999 Estimate</u>	<u>Change from FY 1999 to FY 2000</u>		<u>FY2000 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
General Schedule	2,305	40	-181	2,164	54	0	2,218

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Budget Activity-3 Training and Recruiting

V. OP 32 Line Items as Applicable (Dollars in Thousands):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Wage Board	0	0	0	0	0	0	0
Benefits to Former Employees	0	0	7	7	0	0	7
Voluntary Separation Incentive Payments	75	0	-50	25	0	0	25
Disability Compensation	0	0	0	0	0	0	0
Travel of Persons Locally Procured	95	1	19	115	1	18	134
DWCF Managed Sup & Mat	58	0	-49	9	0	0	9
Army DWCF Equipment	0	0	0	0	0	0	0
Pentagon Reservation Maintenance	0	0	0	0	0	0	0
Defense Finance & Accounting Services	0	0	0	0	0	0	0
Commercial Transportation	2	0	0	2	0	0	2
Rental Payments to GSA Leases (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (Non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (Non-DWCF)	6	0	51	57	0	3	60
Rents (Non-GSA)	0	0	26	26	0	0	26
Postal Services (U.S.P.S.)	0	0	0	0	0	0	0
Supplies & Materials (Non-DWCF)	605	6	457	1,068	16	-41	1,043

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V. OP 32 Line Items as Applicable (Dollars in Thousands) (Cont.):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Printing & Reproduction	76	1	8	85	1	9	95
Equipment Maintenance by Contract	1,873	20	-745	1,148	17	125	1,290
Facility Maintenance By Contract	7	0	218	225	4	-4	225
Equipment Purchases (Non-DWCF)	3,233	36	-1,825	1,444	22	-146	1,320
Other Contracts	1,831	20	-393	1,458	22	1,578	3,058
Total	10,166	124	-2,457	7,833	137	1,542	9,512

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Budget Activity 4- Administration and Servicewide Activities

I. Description of Operations Financed:

The mission of the American Forces Information Service (AFIS) is to provide high-quality news, information, and entertainment to U. S. forces worldwide in order to promote and sustain unit and individual readiness, quality of life, and morale. AFIS trains public affairs, broadcast, and visual information professionals, and provides communications services to support the information needs of commanders and combat forces through the entire range of military operations and contingencies.

In carrying out its mission, AFIS directs all DoD command information policy; produces and distributes command information, news, sports, and current events broadcast radio and television, textual information, and imagery products to the DoD internal audience of 1.4 million active and 1.5 million reserve and National Guard military personnel--including Servicemembers at sea and overseas--and their families, and 711 thousand DoD civilians; directs audiovisual and visual information policies and activities for the DoD; manages the DoD Visual Information, Combat Camera, and Audiovisual Programs; manages the Combat Camera operations in DoD; provides the centralized management of selected DoD still and motion imagery; operates the Defense Information School (DINFOS) which provides all training in the Department for DoD and other personnel in public affairs and visual information specialties; engineers, acquires, and performs life-cycle management of commercial, off-the-shelf radio and television broadcast equipment and systems for all Armed Forces Radio and Television Service stations worldwide, as well as for visual information and audiovisual equipment and systems for DoD and other government activities; and operates the Stars and Stripes newspapers.

AFIS continues to implement several significant initiatives. The first is the increased leveraging of technology to improve our products, responsiveness, and service to our worldwide customer base. This initiative involves transitioning the production, storage, and distribution of most of our products from mechanical and paper-based methods to electronically-based means. Examples of efforts within this initiative include multiple radio and television broadcast channels for increased overseas broadcast programming choices, and the vastly expanded use of the World Wide Web, compact disks, and related technology to more quickly and easily distribute textual and imagery products. The second initiative is the reengineering and streamlining of AFIS's organizational structure and processes to meet the manpower and financial reductions imposed by the Quadrennial Defense Review and Defense Reform Initiative. Also included in this initiative is the use, as appropriate, of competitive sourcing,

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Budget Activity 4- Administration and Servicewide Activities

I. Description of Operations Financed (Cont.):

outsourcing, and commercial contracting. The third initiative is development of new products and services to meet the increasing and changing internal information requirements of the DoD.

AFIS's Administration and Servicewide Activities operating elements and major functions include:

- The Armed Forces Radio and Television Service (AFRTS) broadcasts command information, news, sports, current events, and entertainment overseas and to ships at sea for DoD uniformed, civilian employees, and family personnel via over 700 AFRTS outlets in 156 countries and 300-plus ships. This element is responsible for both program management of and development of policy, plans, and standards for all DoD radio and television broadcasting activities. This element is also responsible for the negotiation of Armed Forces Radio and Television broadcast frequency rights, international agreements required by any of the 156 host countries in which we broadcast, worldwide performing rights, and copyrights. In addition, this element commercially contracts for the production of command information announcements which replace commercial radio and television advertisements in broadcast programming aired overseas. This element also manages the Television-Audio Support Activity and the AFRTS Broadcast Center which broadcasts the radio and television programming overseas.

- The Armed Forces Radio and Television Service Broadcast Center acquires, transmits, duplicates, and distributes radio and television broadcast programming to the worldwide DoD audience.

- The Information Operations Directorate operates a news service which provides a means for the Secretary and senior-level Defense officials to communicate information about significant Defense issues and policies to DoD military and civilian personnel. The news service writes, produces, edits, gathers, and publishes numerous command information products used by more than 900 base, camp, and station newspaper editors in preparing their local publications as well as by military and civilian leadership in further explaining the activities of the Department to their personnel.

I. Description of Operations Financed (Cont.):

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- The Stars and Stripes organization supports the production, printing, and distribution of the Stars and Stripes newspapers for U.S. servicemembers, their families, and DoD civilians stationed overseas.
- The Policy and Alliances Directorate develops and monitors policy for Defense internal information publications; produces the Current News "Early Bird" and related publications directly supporting senior DoD leadership; interfaces with representatives of the Military Departments, the Joint Staff, the Combatant Commands, and other DoD Components to coordinate, focus, and partner their internal information programs and policies; and audits Defense publications and civilian-enterprise newspapers for compliance with current DoD policy on advertising and other content.
- The Public Services Coordination Office coordinates internal information issues of mutual interest between the DoD and other Federal, state, and local government agencies.
- The Defense Visual Information Directorate is responsible for both program management of and development of policy, plans, and standards for all DoD visual information, audiovisual, and Combat Camera activities. This element also manages the DoD Joint Combat Camera Center and the Defense Visual Information Center.
- The DoD Joint Combat Camera Center receives via satellite from deployed Combat Camera forces, processes, and distributes digital still and motion imagery of current military operations for use by the National Command Authority, Joint Staff, Combatant Commands, Military Departments, and other organizations in support of decision making, time-critical planning and information requirements, battlefield situational awareness, information warfare, training, public affairs, and legal and historical documentation.
- The Defense Visual Information Center (DVIC) is the DoD central repository for still and motion imagery of significant U.S. military operations and activities. The DVIC collects, catalogs, manages, and distributes selected general purpose DoD motion and still imagery for use by DoD Components, the government, and private sector. The images are used in support of operations, training, operational

I. Description of Operations Financed (Cont.):

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and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.

- The Television-Audio Support Activity provides engineering, procurement, and life-cycle management of commercial, off-the-shelf radio and television broadcast equipment and systems for all of the Military Services' radio and television stations worldwide, as well as for audiovisual and visual information equipment and systems for DoD and other government activities.

- The DoD Joint Visual Information Services Distribution Activity is the DoD central distribution activity for audiovisual productions and other visual information products for use by all DoD Components. These products are used in support of operations, training, and internal information.

- The Training Directorate is responsible for both program management of and development of policy, plans, and standards for all training in the DoD public affairs and visual information career fields. This element also interfaces with representatives of the Military Departments and other organizations to refine and coordinate public affairs and visual information training requirements.

II. Financial Summary (O&M: \$ in Thousands):

	FY 1998	FY 1999			FY 2000
A. <u>Subactivity Group</u>	<u>Actuals</u>	<u>Budget</u>	<u>Appropriation</u>	<u>Current</u>	<u>Estimate</u>
		<u>Request</u>		<u>Estimate</u>	<u>Estimate</u>
BA-4 Administration & Servicewide Activities	94,174	96,876	96,303	95,783	95,865

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Budget Activity 4- Administration and Servicewide Activities

II. Financial Summary (O&M: \$ in Thousands):

<u>B. Reconciliation Summary:</u>	<u>Change FY 1999/FY 1999</u>	<u>Change FY 1999/FY 2000</u>
Baseline Funding	96,876	95,783
Congressional Adjustments	-573	
Supplemental Request		
Price Change	-65	1,874
Functional Transfer		2,900
Program Changes	-455	(4,692)
Current Estimate	95,783	95,865

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

1. FY 1999 President's Budget Request	96,876
2. Congressional Adjustments (Undistributed)	
a. Transfer to Pentagon Renovation Transfer Fund	-220
2. Congressional Adjustments (Undistributed)(Cont.)	
b. DRI Savings	-69
c. Revised Economic Assumptions	-225
d. Congressional Earmarks (Total)	-59
3. Total Other Congressional Adjustments (Undistributed)	-573
4. FY 1999 Appropriated Amount	96,303

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

5. Price Changes	-65
6. Program Increase	
a. Retained inflation savings applied to continued development of electronic distribution of AFIS products.	65
7. Program Decrease	
a. Program reduction resulting from prudent downsizing.	-520
8. FY 1999 Current Estimate	95,783
9. Price Growth	1,874
10. Functional Transfers - In	
a. Realignment of the DoD Joint Visual Information Services Distribution Activity from the Army.	2,900
11. Program Increases	
a. General Schedule Payroll: Anticipated Voluntary Incentive Buyouts in FY 2000.	122
b. Purchased Communications (Non-DWCF): The Satellite Network program is transitioning to a new, more powerful satellite and fiber optic transmission system for serving the European and Middle East	688

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

11. Program Increases(Cont.)

b. Purchased Communications (Non-DWCF)(Cont.):

area of operations. This covers 156 countries, including Bosnia and Saudi Arabia. As a result of the transition to the new service, additional sites where U.S. military are stationed can now be served with live TV and radio, for example 14 sites in Bahrain. Without this service these sites, where our troops are assigned, would not have American television and radio.

c. Printing & Reproduction: Remote printing costs for Stars and Stripes represent a full year's estimate for the United Kingdom and Italy. Increase in Korea is due to Won fluctuations. 518

e. Nominal Increases: Disability Compensation, Travel of Persons, Pentagon Reservation Maintenance, Purchased Utilities. 67

12. Total Program Increases 1,395

13. Program Decreases

a. General Schedule Payroll: Personnel reductions achieved consistent with the NPR and QDR by streamlining operations, review and restructuring of mission requirements, revising work processes, and enhancing utilization of evolving technologies. -671

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II. Financial Summary (O&M: \$ in Thousands) (Cont.):

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

13. Program Decreases(Cont.)

b. Defense Finance & Accounting Service: The projected customer rates for FY 2000 were adjusted downward.	-103
c. Rental Payments to GSA Leases (SLUC): Temporary space released which lowered rate for outyears.	-116
d. Supplies & Materials (Non-DWCF): Printing for the Consolidated Stars and Stripes reduces requirement for blank paper stock.	-169
e. Equipment Maintenance: Decrease in amount of equipment contract for maintenance requirements due to technological changes and equipment replacement at the AFRTS Broadcast Center.	-169
f. Facility Maintenance: In FY 1998 and FY 1999 the AFRTS Broadcast Center experienced one time costs for items such as HVAC and security system upgrades.	-477
g. Equipment Purchases (Non-DWCF): New purchases of AFRTS broadcasting equipment allowed planned conversion to digital formats, the standard in the broadcast industry.	-382

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II. Financial Summary (O&M \$ in Thousands) (Cont.)

C. Reconciliation of Increases and Decreases (O&M \$ in Thousands)

13. Program Decreases (Cont.)

- | | |
|---|--------|
| h. Other Contracts: The Stars and Stripes newspapers received funding in FY 1998 and FY 1999 to cover non-recurring consolidation start-up costs. | -3,966 |
| i. Nominal Decreases: Commercial Transportation, Rents (Non-GSA), Postal Services (U.S.P.S.). | -34 |

13. Total Program Decreases	-6,087
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14. FY 2000 Current Estimate	95,865
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III. Performance Criteria and Evaluation Summary:

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Countries receiving radio and/or TV programming	156	156	156
Land based TV/radio satellite receive dishes in use worldwide	690	950	1,120
Radio only satellite receive dishes in use worldwide	352	300	200
Navy ships receiving recorded radio & television programming	350	330	104
Navy ships receiving live radio & television programming	23	123	196
Satellite radio news, sports service, 24 hours/day	8,760	8,760	8,760
Satellite radio music service, 24 hours/day (8 formats)	70,080	70,080	70,080
Hours of TV program duplication	145,600	116,480	65,000
Satellite TV programming, 24 hours/day (3 formats)	26,280	26,280	26,280

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III. Performance Criteria and Evaluation Summary (Cont.):

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
TV & radio news stories released by AFRTS NewsCenter	780	780	780
Units of radio/TV internal information spots produced	431	350	350

Justification: AFRTS provides American radio and television products and services to U.S. forces overseas and on-board Navy ships. Both recorded and satellite delivered live radio and television programming is used in support of this mission. As AFRTS places additional services on the satellite system, there will be a corresponding increase in the TV and radio satellite receive dishes needed worldwide to receive those signals. Simultaneously, the requirement for recorded programming that must be mailed to overseas outlets and ships will decrease (beginning in FY 99). The internal information provided to the US Navy ships has been significantly enhanced by the live reception of AFRTS satellite (TV-Direct to Ship(DTS)) transmissions which provide two channels of television, three radio services, and textual products such as *Stripes Lite* via a 128 kbps data channel. As more TV-DTS satellite receive terminals are installed aboard ships, the number of the more limited-capability radio only satellite receive dishes will be reduced until that program ends in 2001. In FY 1998, due to a shortage, AFIS produced an extra radio spot series. Radio spots cost less than TV spots to produce. In FY 1999 and outyears the spot units returned to their normal mix of radio and TV spots.

TEXT-BASED COMMAND INFORMATION PRODUCTS	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Traditional print/hard copies of command information publications	1,200,000	400,000	300,000
Number of accesses of electronic products	8,000,000	21,000,000	33,000,000
Number of new special feature World Wide Web (WWW) site home pages developed	N/A	10	11
Number of new extended duration, in depth, subject-specific, WWW sites developed	N/A	3	5

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III. Performance Criteria and Evaluation Summary (Cont.):

TEXT-BASED COMMAND INFORMATION PRODUCTS (Cont.)

Justification: Command Information publications contribute to the readiness, morale, and welfare of servicemembers, DoD civilian employees, and their families and are distributed to them through the most rapid distribution means available. During FY 1998, AFIS started transitioning virtually all text-based command information publications from traditional print/hard-copy to electronic distribution. Electronic distribution via the Internet's World Wide Web (WWW), electronic mail, and computer bulletin boards was accomplished during FY 1998 in place of, or in addition to, traditional print/hard copy dissemination. The data on the number of accesses of electronic command information products is based on the number of accessions, or "hits", from computer systems from within, and outside of, Department of Defense sites. These numbers reflect that our customers have either accessed the WWW site upon which our products reside or accessed individual products or pages on one of our WWW sites. As a consequence, in the outyears the number of traditional print/hard copies of publications is decreasing, while the number of electronic accessions will increase. A program is underway to determine if and how the material accessed is being further disseminated. Beginning in early FY 1999, AFIS developed two new products designed solely for electronic distribution. The number of special feature home pages and subject-specific WWW sites developed represents the compilation of a series of multiple electronic products targeted to convey a specific DoD theme, policy, or message.

DoD JOINT COMBAT CAMERA CENTER	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Number of Images Accessed	4,125,572	16,000,000	17,600,000
Number of Images Added Processed	19,032	22,653	25,371

Justification: The DoD Joint Combat Camera Center (JCCC) provides imagery of current military operations for use by the National Command Authority, Joint Staff, Combatant Commands, Military

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III. Performance Criteria and Evaluation Summary (Cont.):

DoD JOINT COMBAT CAMERA CENTER (Cont.)

Justification (Cont.): Departments, and other organizations in support of decision making, time critical planning and information requirements, battlefield situational awareness, information warfare, training, public affairs, and legal and historical documentation. With the increasing availability of imagery and customer requirements, and projected technological advances, the trend of increasing customer accesses through electronic means is expected to continue. The increase in "number of images accessed by customers" is due to new electronic access to the DoD JCCC World Wide Web (WWW) site through Defenselink. Prior to this, DoD JCCC images could only be accessed by U.S. military users. This Defenselink connection started in the 4th Quarter of FY 1998. We anticipate dramatically increased access to the DoD JCCC WWW by users outside of the military domain during FY 99. A further increase in images accessed is expected for FY 00. The number of images processed is directly linked to a number of factors including the type, nature, and number of military operations. For the past several years the number of images generated and processed has increased as the amount of and requirements for visual information products tied to military operations increased. This trend is also expected to continue in the outyears.

DEFENSE VISUAL INFORMATION CENTER (DVIC)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Motion picture film accessioned by feet	71,456	N/A	N/A
Minutes of videotape accessioned	32,142	N/A	N/A
Customer requests completed	10,991	12,500	14,000
Minutes of motion picture film to videotape transfer	35	N/A	N/A
Minutes of videotape duplication	1,304,856	N/A	N/A
Still Images Accessioned	29,724	N/A	N/A
Still Images Reproduced	35,968	N/A	N/A
Imagery Items Accessioned into DVIC Holdings	53,183	100,000	35,000
Imagery Items Requested by and Delivered to Customers	263,480	280,000	300,000

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)(Cont.)

Justification: The Defense Visual Information Center (DVIC) is the official DoD central records center for the storage and preservation of visual information records depicting DoD operations and other activities, and to provide these products to customers from the DoD, Federal and state agencies and American public until such time as the records are either transferred to the National Archives and Records Administration or disposed of in accordance with applicable Federal records schedules. A large portion of the DVIC's holdings have been digitized to enable remote electronic access.

The majority of the DVIC's performance criteria have been changed to reflect the evolution of imagery processes into digital technologies. The revised performance criteria will include the number of imagery items accessioned into DVIC holdings as a measure of the DVIC's efforts to meet its statutory requirements as a DoD Records Center; the number of customer requests completed as a measure of the customers who received DVIC products and services; and imagery items requested by and delivered to customers as a measure of the DVIC's output. An imagery item is described as a motion media scene, a still photographic image, a CD-ROM or a motion media production. The new performance criteria will provide a better measure of DVIC's efforts to accession and manage DoD record imagery and to satisfy customer's demands for products and services.

Motion Picture Film Accessioning (feet) - This workload has been on the decline as the DoD converts from high-speed motion picture film to shuttered video systems. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

Videotape Accessioned (minutes) - Greater reliance upon the DVIC by the DoD Components as the central DoD repository facility for selected general purpose still and motion media products, and increased DoD conversion of motion picture film to videotape have resulted in a continuing increase of videotape materials to be accessioned. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)(Cont.)

Justification (Cont.):

Customer Requests Completed - Customer requests continued to grow during FY 1998 as DoD customers continued to increase their confidence in and reliance upon DVIC's ability to satisfy their imagery requirements. This growth is expected to continue in the future.

Motion Picture Film to Videotape Transfer (minutes) - Overall customer demand for the older, motion picture footage continues to diminish at a very rapid rate. With this decline, requirements for film-to-tape transfers will eventually cease to exist. This performance element is no longer meaningful and is being dropped for FY 1999 and the outyears.

Videotape Duplication (minutes) - Duplication minutes continue to rise as the DoD Components request more copies of items in the DVIC holdings. In FY 1999 the workload in this element is being reported within the Imagery Items Requested and Delivered to Customers element.

Still Images Accessioned - Increases in still imagery accessioned from the DoD Components continue as they increase their confidence in and reliance upon the DVIC. In FY 1999 the workload in this element is being reported within the Imagery Items Accessioned element.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising significantly as the DoD becomes more technically sophisticated and increases its usage of VI products and as the DoD Components increase their confidence in and reliance upon the DVIC. In FY 1999 the workload in this element is being reported within the Imagery Items Requested and Delivered to Customers element.

Imagery Items Accessioned into DVIC Holdings - During FY 98 the DVIC accessioned a total of over 83,000 items, including nearly 30,000 still images and approximately 53,000 other imagery items. The DVIC expects to accession a total of approximately 100,000 imagery items in FY 1999. The numbers of imagery items accessioned during FY 1998 and FY 1999 are much higher than the normally expected

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III. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER (DVIC)(Cont.)

Justification (Cont.):

Imagery Items Accessioned into DVIC Holdings (Cont.) (average) levels and are due to the DVIC clearing up an extremely large backlog of imagery materials. The backlog will be cleared up by FY 2000 during which the number of imagery items accessioned will

Imagery Items Accessioned into DVIC Holdings (Cont.) return to its approximate annual average of 35,000 items. This backlog resulted from a number of circumstances including an unusually large amount of materials unexpectedly being provided to the DVIC from several DoD Components.

Imagery Items Requested by and Delivered to Customers - During FY 98, the DVIC's customers requested and received over 263,000 imagery items including motion media scenes, still image products, CD-ROMs, and audiovisual productions. The increased size and relevancy of the DVIC's holdings as well as the efforts to make this imagery more accessible is producing a steady growth in workload. We expect this workload to continue to grow in future years with expanding customer confidence in the quantity and quality of the imagery in the DVIC's holdings.

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Purchase requests processed	6,484	5,700	5,500
Material release orders	8,910	7,700	7,500
Number of Military Standard Requisitioning System Process (MILSTRIP) requisitions	8,761	6,200	6,000
Catalog items (management control number assignments)	22,231	21,500	20,000

Justification: T-ASA provides design, engineering, procurement, logistical, and life-cycle management support for off-the-shelf radio and television broadcast equipment and systems for all Armed Forces

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III. Performance Criteria and Evaluation Summary (Cont.):

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA (Cont.))

Justification (Cont.): Radio and Television Service stations worldwide, as well as visual information and audiovisual equipment and systems throughout the DoD. Due to the increased use of the International Merchant Purchase Authorization (IMPAC) card in the field, increased bulk buys (i.e., video compression and Air Force Broadcast Service projects), T-ASA shipping more items via direct shipment, and the continued budget reductions for T-ASA's customers, the number of Purchase Requests Processed, MILSTRIP Requisitions, Material Release Orders Processed, and Catalog Items is projected to decrease. This trend is expected to continue in the outyears.

DEFENSE INFORMATION SCHOOL	<u>FY 1998</u>	<u>FY 1999*</u>	<u>FY 2000*</u>
Student Load	2,782	3,619*	3,219*

Justification: The Defense Information School (DINFOS) provides joint-service training to Department of Defense military and civilian personnel and international students in the Public Affairs, Visual Information, and Broadcasting career fields. The student loading for the school is based on actual attendance to date and projections by the Military Services for attendance in FY 1999 through FY 2000. Resources currently allocated, as shown in associated exhibits, pay for all base operating support, except that directly related to the student support and for the costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction; for the services required to operate the school; and equipment to support the student load based on Military Service projections provided at the annual Structure and Manning Decision Review.

*Based upon estimates provided by the Military Services at the annual Structure and Manning Decision Review.

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JOINT VISUAL INFORMATION SERVICES DISTRIBUTION ACTIVITY (JVISDA)	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Number of Titles of Audiovisual Productions Distributed	6,351	6,800	6,500
Number of Copies of Audiovisual Productions Distributed	320,992	340,000	280,000
Number of Titles of Visual Information Products Distributed	129	210	260
Number of Copies of Visual Information Products Distributed	84,718	220,000	300,000

Justification: The Joint Visual Information Services Distribution Activity (JVISDA) is the DoD central distribution activity for audiovisual productions and other visual information products. Consistent with changing technology, and customer requirements, requests for audiovisual productions in film and videotape formats will begin declining after peaking in FY 1999. This trend is expected to continue in the outyears due to the same circumstances. Requests for visual information products, primarily in CD ROM formats, continue to increase each year. This trend is also expected to continue in the outyears.

IV. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 1999/FY 2000</u>
<u>Military End Strength</u>				
Officer	38	22	23	1
Enlisted	<u>162</u>	<u>97</u>	<u>78</u>	<u>-19</u>
Total	200	119	101	-18
<u>Civilian End Strength</u>				
USDH	243	307	286	-21
<u>Military Average Strength</u>				
Officer	33	19	20	1
Enlisted	<u>144</u>	<u>87</u>	<u>69</u>	<u>-18</u>
Total	177	106	89	-17
<u>Civilian FTEs</u>				
USDH	257	249	234	-15

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V. OP 32 Line Items as Applicable (Dollars in Thousands):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY 2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
General Schedule	17,019	320	135	17,474	721	545	18,740
Wage Board	124	0	30	154	18	990	1,162
Benefits to Former Employees	23	0	84	107	0	24	131
Voluntary Separation Incentive Payments	669	0	-416	253	0	122	375
Disability Compensation	71	0	-30	41	0	11	52
Travel of Persons	1,141	12	-247	906	14	5	925
Locally Procured DWCF Managed Sup & Mat	14	0	16	30	0	0	30
Army DWCF Equipment	12	0	-7	5	0	0	5
Pentagon Reservation Maintenance	230	126	-2	354	-2	7	359
Defense Finance & Acctg Svcs	751	27	46	824	12	-103	733
Commercial Transportation	1,128	12	1,037	2,177	32	-20	2,189
Rental Payments to GSA Leases (SLUC)	1,111	0	361	1,472	0	-116	1,356
Purchased Utilities (Non-DWCF)	539	5	9	553	8	17	578
Purchased Communications (Non-DWCF)	19,966	219	1,317	21,502	323	688	22,513
Rents (Non-GSA)	54	0	21	75	1	-13	63
Postal Svcs (U.S.P.S.)	35	0	57	92	2	-1	93
Supplies & Materials (Non-DWCF)	3,419	38	-2,292	1,165	17	-169	1,013

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V. OP 32 Line Items as Applicable (Dollars in Thousands) (Cont.):

	FY 1998 <u>Actual</u>	Change from FY 1998 to FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999 to FY 2000		FY 2000 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Printing & Reproduction	3,301	36	374	3,711	55	518	4,284
Equipment Maintenance by Contract	2,373	26	1,288	3,687	55	-169	3,573
Facility Maintenance By Contract	801	8	110	919	14	-477	456
Equipment Purchases (Non-DWCF)	7,259	79	-4,770	2,568	38	-382	2,224
Other Contracts	34,134	375	3,205	37,714	566	-3,269	35,011
Total	94,174	1,283	326	95,783	1,874	-1,792	95,865

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I. Description of Operations Financed: All customary expenses required to operate pilot projects of a government activity are financed. DoD Civil Military Programs encompass outreach/service programs identified as Innovative Readiness Training (IRT) program, National Guard Challenge Youth Leadership and Development Program, and DoD Starbase program. The IRT program, authorized under 10 U.S.C. 2012, provides support and services for eligible activities and organizations outside DoD through military readiness training conducted within communities throughout 54 states, territories, possessions as well as the Commonwealth of Puerto Rico. Units and individuals hone their wartime skills while working in partnership with the community. The National Guard Challenge Youth Leadership and Development Program, authorized under U.S.C. Title 32, Chapter 5, Section 1076, paragraph 5, as adjusted by the FY 1998 DoD Authorization Act Conference Report, is a civilian youth opportunity program that provides military-based training, including supervised work experience in community service and conservation projects, to civilian youth, who cease to attend secondary school before graduating, so as to improve the life skills and employment potential of such youth. The DoD Starbase program, authorized under 10 U.S.C. 2193, exposes primary and secondary school students to real-world applications of science, math and technology. The Outdoor Odyssey program is located at Roaring Run Camp, Somerset County, Pennsylvania. The program is designed to target "At-Risk" youths and providing them the opportunity to participate in exercises and activities which develop self-esteem, confidence, respect and trust in others.

II. Force Structure Summary: N/A

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III. Financial Summary (O&M: \$ 000):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999		Current <u>Estimate</u>	FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>		
1. ChalleNGe	46,945	28,494	62,504	62,504	62,503
2. Starbase	2,914	-0-	5,000	5,000	5,000
3. IRT	<u>11,996</u>	<u>16,400</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total	61,855	44,894	87,504	87,504	87,503

B. Reconciliation Summary:

	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	44,894	87,504
Congressional Adjustments	42,610	-0-
Supplemental Request	-0-	-0-
Price Change	-0-	1,138
Functional Transfer	-0-	-0-
Program Changes	-0-	-1,139
Current Estimate	87,504	87,503

C. Reconciliation of Increases and Decreases:

1. FY 1999 Amended President's Budget Request	44,894
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C. Reconciliation of Increases and Decreases: (con't)

2.	Congressional Adjustments (Distributed)		
	a. <u>Innovative Readiness Training</u>	3,896	
	b. <u>Starbase</u>	5,000	
	c. <u>ChalleNGe</u>	33,604	
3.	Total Congressional Adjustments (Distributed)		42,500
4.	Congressional Adjustments (Undistributed)		
	a. <u>DRI Savings</u>	-75	
	b. <u>Revised Economic Assumptions</u>	-150	
	c. <u>Earmark - Indian Lands Mitigation</u>	-65	
5.	Total Congressional Adjustments (Undistributed)		-290
6.	FY 1999 Appropriated Amount		87,104
7.	Supplemental Appropriations		-0-
8.	Functional Transfers - In		
	a. <u>Reallocation of Youth Development and Leadership Program (ChalleNGe).</u>	400	
9.	Total Transfers - In		400
10.	Functional Transfers - Out		-0-
11.	Price Changes		-0-

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C. Reconciliation of Increases and Decreases: (con't)

12. Program Increases	-0-
13. Program Decreases	-0-
14. FY 1999 Current Estimate	87,504
15. Price Changes	1,138
16. Program Increases	-0-
17. Program Decreases	-1,139
a. <u>ChalleNGe - funding reduced to maintain</u>	-814
<u>program at FY 1999 level and to account</u>	
<u>for the Congressional add in FY 1999.</u>	
b. <u>Starbase - funding reduced to maintain</u>	-65
<u>program at FY 1999 level.</u>	
c. <u>IRT - funding reduced to maintain program</u>	-260
<u>at FY 1999 level.</u>	
18. FY 2000 Budget Request	87,503

IV. Performance Criteria and Evaluation Summary:

The Office of the Assistant Secretary of Defense for Reserve Affairs has policy oversight and control over the Department of Defense Civil Military Program. Control and management of

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IV. Performance Criteria and Evaluation Summary: (continued)

the DoD Civil Military Programs is maintained through the establishment of policies, directives, funding controls and personnel authorizations. Evaluation of the program is made by the Secretary, Deputy Secretary, the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs).

CHALLENGE

ChalleNGE Youth Program Target Enrollment by Fiscal Year:

<u>STATE</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Alaska	200	200	200
Arkansas	200	200	200
Arizona	224	224	224
California	200	200	200
Colorado	200	200	200
Georgia	360	360	360
Hawaii	200	200	200
Illinois	800	800	800
Louisiana	350	350	350
Maryland	200	200	200
Missouri	200	200	200
Mississippi	248	248	248
North Carolina	200	200	200
New Jersey	200	200	200
New York	200	200	200
Oklahoma	200	200	200
South Carolina	200	200	200
Virginia	200	200	200

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IV. Performance Criteria and Evaluation Summary: (continued)

Wisconsin	200	200	200
West Virginia	200	200	200
TOTALS	4,982	4,982	4,982

Seven ChalleNGe sites to be added in FY 1999: Michigan, Massachusetts, Texas, Pennsylvania, Oregon**, Puerto Rico**, and South Dakota** (** converting from Youth Conservation Corps programs).

States awaiting a ChalleNGe program: Nebraska, North Dakota, Montana, Indiana, Washington, New Mexico, Alabama, Washington, D.C., Kentucky, Connecticut and Florida.

STARBASE

Existing Sites:

National Guard Starbase (16)

Sacramento, CA
 Jacksonville, FL
 Johnston, IA
 Topeka & Wichita, KS
 Mt. Clemens, MI
 St. Paul, MN
 Charlotte, NC
 Tulsa, OK
 Portland & Klamath Falls, OR
 Sioux Falls, SD

Navy Starbase-Atlantis (2)

Pensacola, FL
 Norfolk, VA

Air Force Reserve (2)

San Antonio, TX
 Robins, GA

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IV. Performance Criteria and Evaluation Summary: (continued)

Houston, TX
 Burlington, VT
 Cheyenne, WY
 Carolina, PR

In FY 1999, four additional sites will be established at:

- Marine Corps - Marine Corps Air Station, Beaufort, SC
- Air Force - Barksdale Air Force Base, Shreveport, LA
- Navy - Naval Station, San Diego, CA
- Air National Guard, Washington, DC

V. Personnel Summary: None

VI. OP 32 Line Items as Applicable (Dollars in Thousands):

	<u>Change from FY 1998 to FY 1999</u>			<u>Change from FY 1999 to FY 2000</u>			
	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989 Other Contracts							
Challenge	46,945	516	15,043	62,504	813	-814	62,503
Starbase	2,914	32	2,054	5,000	65	-65	5,000
IRT	<u>11,996</u>	<u>132</u>	<u>7,872</u>	<u>20,000</u>	<u>260</u>	<u>-260</u>	<u>20,000</u>
TOTALS	<u>61,855</u>	<u>680</u>	<u>24,969</u>	<u>87,504</u>	<u>1,138</u>	<u>-1,139</u>	<u>82,503</u>

EMERGENCY SUPPLEMENTAL
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I. Description of Operations Financed: The FY1999 Emergency Supplemental funds for crisis response aviation support, counter-terrorism programs, security enhancements, preparedness against weapons of mass destruction, and classified programs.

II. Force Structure Summary: Not applicable.

III. Financial Summary (O&M: \$ in Thousands):

A. Subactivity Group:

	FY 1998 <u>Actuals</u>	FY 1999		FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	
Anti-Terrorism/Diplomatic Security Programs	0		358,427	0
Classified Programs	0		275,000	0
Total	0		633,427	0

B. Reconciliation Summary:

	<u>Change FY 1999/1999</u>	<u>Change FY 1999/2000</u>
Baseline Funding	0	633,427
Congressional Adjustments	633,427	0
Supplemental Request	0	0
Price Change	0	9,501
Functional Transfer	0	0
Program Changes	0	(642,928)
Current Estimate	633,427	0

EMERGENCY SUPPLEMENTAL
Operation and Maintenance, Defense-Wide
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III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget	0
2. Congressional Adjustments (Distributed)	633,427
3. Congressional Adjustments (Undistributed)	0
4. FY 1999 Appropriated Amount	633,427
5. Functional Transfers	0
6. Price Changes	0
7. Program Increases	0
8. Program Decreases	0
9. Revised FY 1999 Current Estimate	633,427
10. Price Growth	9,501
11. Functional Transfers	0

**EMERGENCY SUPPLEMENTAL
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued):

12. Program Increases	0
13. Program Decreases	
Decrease due to one time Emergency Supplemental Appropriation in FY 1999.	(642,928)
Total Program Decreases	(642,928)
14. FY 2000 Budget Request	0

IV. Performance Criteria and Evaluation Summary: Not applicable.

V. Personnel Summary: Not applicable.

VI. Summary of Price and Program Changes (Dollars in Thousands):

	Change FY 1998/1999			FY 1999 Estimate	Change FY 1999/2000		FY 2000 Estimate
	FY 1998 Actuals	Price Growth	Program Growth		Price Growth	Program Growth	
Other Contracts	0	0	0	633,427	9,501	(642,928)	0
Total	0	0	0	633,427	9,501	(642,928)	0

DEFENSE ACQUISITION UNIVERSITY
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I. Description of Operations Financed:

The Defense Acquisition University (DAU) was established by the Defense Acquisition Workforce Improvement Act (DAWIA) of 1991, Public Law 101-510. The DAU became operational in August 1992 and is structured as an educational consortium of 12 Navy, Army, Air Force and DoD agency members. The law directs DAU to serve as the DoD education and training center for the acquisition workforce, to provide capabilities in acquisition research and publications, and to analyze acquisition policy issues. The DAU was created by uniting the existing providers of acquisition education and training within the Department. Initial funding was obtained by transfer from Services Operation and Maintenance budgets. Course content is based on identified functional competencies for specific career fields. These competencies are not Service specific, but are recognized in these functional areas across the Department.

The curriculum provides career training that is necessary for members of the acquisition workforce to obtain certification in their career field and membership in the Acquisition Corps, as established by the DAWIA. Course delivery is provided by the consortium members listed below.

DAU CONSORTIUM MEMBERS

Air Force Institute of Technology	Lackland Technical Training Center
Army Logistics Management College	Naval Facilities Contracts Training Center
Navy Center for Acquisition Training	Defense Contract Audit Institute
Naval Postgraduate School	Defense Systems Management College
Industrial College of the Armed Forces	DLA Civilian Personnel Service Support Office
Information Resource Management College	Office of the Assistant Secretary of the Navy/ RD&A/APIA-PP

II. Force Structure Summary:

The University provides funds to consortium member schools for delivering acquisition training, faculty travel to work sites, course development and maintenance, evaluation, research, and publications. The University also provides funds to the Service Directors for Acquisition Career Management to cover travel and per diem costs for students in DAU courses

As directed in the DAWIA, the University has established a senior acquisition course at the Industrial College of the Armed Forces for civilian and military acquisition professionals

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that is equivalent to senior professional military education. The University develops new and revises existing courses to incorporate acquisition reform initiatives based on guidance from the Under Secretary of Defense, Acquisition and Technology. The Acquisition Reform Communications Center (ARCC) was chartered in May 1995. The ARCC provides and disseminates information to the acquisition workforce. Under policy from USD(A&T), the Continuing Acquisition Education (CAE) program was established in FY 1998. This program requires acquisition workforce members who have completed all training and education requirements to maintain their currency via continuing education and training.

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III. Financial Summary (O&M: \$ in Thousands):

A. Subactivity Breakout

		FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
			<u>Budget Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	
Total	BA 3	93,054	0	95,000	95,214	100,380

B. Reconciliation Summary

	Change FY 1999/FY 1999	Change FY 1999/FY 2000
Baseline Funding	95,000	95,214
Congressional Adjustments	-409	0
Price Change	0	1,853
Functional Transfer	623	0
Program Changes	0	3,313
Current Estimate	95,214	100,380

C. Summary of Price and Program Changes

TITLE	FY 1998 <u>Estimate</u>	<u>Change FY 1998/FY 1999</u>			<u>Change FY 1999/FY 2000</u>			FY 2000 <u>Estimate</u>
		<u>Foreign Currency</u>	<u>Pricing Growth</u>	<u>Program Growth</u>	<u>Foreign Currency</u>	<u>Pricing Growth</u>	<u>Program Growth</u>	
101 Exec, Gen and Special Schedule	15,877		540		16,417	690		17,107
103 Wage Board	439		15		454	19		473
106 Benefits to Former Employees	217			-217				
110 Unemployment Compensation								
199 TOTAL CIV PERS COMPENSATION	16,533		555	-217	16,871	709		17,580
308 Travel of Persons	1,028		11		1,039	16		1,055
399 TOTAL TRAVEL	1,028		11		1,039	16		1,055
633 Defense Publication and Printir	1,462		83		1,545	-9		1,536
TOTAL PRINTING & PUBLICATION SV	1,462		83		1,545	-9		1,536

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TITLE	<u>Change FY 1998/FY 1999</u>				<u>Change FY 1999/FY 2000</u>				
	<u>FY 1998</u> <u>Actual</u>	<u>Foreign</u> <u>Currency</u>	<u>FY 98/99</u> <u>Pricing</u>	<u>FY 98/99</u> <u>Pgm Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Foreign</u> <u>Currency</u>	<u>FY 99/00</u> <u>Pricing</u>	<u>FY 99/00</u> <u>Pgm Growth</u>	<u>FY 2000</u> <u>Estimate</u>
912 Rental Payment to GSA (SLUC)									
914 Purchased Communications (non I	591			7	598		9		607
915 Rents (non GSA)	10				10				10
917 Postal Service									
920 Supplies and Materials (non SF)	1,283			14	1,297		19		1,316
921 Printing and Reproduction	422			5	427		6		433
922 Equipment Maintenance by Contr	1,221			13	1,234		19		1,253
923 Facilities Maintenance by Contract									
925 Equipment Purchases (non SF)	713			8	721		11		732
931 Contract Consultants	1,974			22	1,996		30		2,026
932 Mgt and Prof. Support Svcs	2,803			31	2,834		43		2,877
933 Studies, Analyses, and Evaluati	648			7	655		10		665
988 Grants									
989 Other Contracts	64,366			708	65,987		990	3,313	70,290
TOTAL OTHER PURCHASES	74,031			815	75,759		1,137	3,313	80,209
TOTAL	93,054			1,464	95,214		1,853	3,313	100,380

DEFENSE ACQUISITION UNIVERSITY
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III. Financial Summary (O&M: \$ in Thousands) (Cont.):

D. Reconcillation: Increases and Decreases		
1.	FY 1999 President's Budget Request	0
2.	Total Congressional Adjustments (Distributed)	95,000
	DAU moved to O&M, Defense-wide (from O&M, Army)	95,000
3.	Total Congressional Adjustments (Undistributed)	-409
	Section 8105 - DRI Savings	-82
	Section 8108 - Revised Economic Assumptions	-257
	Other Congressional Earmarks	-70
4.	FY 1999 Appropriated Amount	94,591
5.	Total Functional Transfers-In	623
	OSD to DAU/DSMC	118
	NDU to DAU	383
	Direct Use/Comm	122
6.	FY 1999 Current Estimate	95,214
7.	Price Growth	1,853
8.	Program Increases	3,313
	Required to convert courses to technology based delivery	3,313
9.	FY 2000 BA-3 Budget Request	100,380

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IV. Performance Criteria and Evaluation Summary

	Workload		
	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Estimate</u>
Number of Consortium Schools	13	12	12
Number of Course Offerings	1,253	1,320	1,325
Resident Offerings	773	752	750
On site Offerings	480	568	575
Students Per Class	26	28	33
Number of Students Trained	32,501	36,940	43,340
Army	7,864	8,070	9,500
Navy	10,102	11,030	13,000
Air Force	9,368	12,410	14,500
DoD	4,560	4,780	5,600
Other	607	650	740
Total Cost Per Student (\$000)	3	3	2
		3	2
Unit Cost Change		0	0

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V. <u>Personnel Summary</u>	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Estimate</u>
Active Military Endstrength			
Officer	62	55	55
Army	19	18	18
Navy	9	5	5
Air Force	32	30	30
Marines	2	2	2
Enlisted	38	36	36
Army	17	17	17
Navy	12	11	11
Air Force	9	8	8
Marines			
Total	100	91	91
Civilian End Strength			
USDH	208	224	224
FNDH			
Total Direct Hire	208	224	224
FNIH			
Military Workyears			
Officer	62	55	55
Enlisted	38	36	36
Total	100	91	91
Civilian Workyears			
USDH	224	224	224
FNDH			
Total Direct Hire	224	224	224
FNIH			

DEFENSE CONTRACT AUDIT AGENCY
Operations And Maintenance, Defense-Wide
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I. Description of Operations Financed: The Defense Contract Audit Agency (DCAA) is a worldwide single mission Agency responsible for assisting Department of Defense (DoD) acquisition authorities in achieving sound contract pricing by evaluating contractor forward pricing proposals, providing contracting officers with accounting and financial advisory services useful to "could cost" and "should cost" assessments and negotiations, verifying the propriety and acceptability of costs charged by contractors to flexibly priced Government contracts, and deterring contractors' inefficient practices which, if not detected and corrected, could lead to excessive costs and contract prices.

DCAA's workload originates primarily from the effort required to audit and monitor DoD acquisitions of equipment, materials, and/or services from civilian contractors and universities by the expenditure of Procurement, and Research, Development, Test and Evaluation (RDT&E) funds appropriated by Congress each year. Other factors affecting contract audit workload are (i) DoD procurement policies, (ii) the implementation of existing Cost Accounting Standards (PL 100-679), (iii) audits performed for the military departments in connection with the Foreign Military Sales (FMS) Program, (iv) the interest by DoD officials and the Congress in the nature of costs charged to defense contracts, (v) audits for economy and efficiency, (vi) Compensation System Reviews (CSRs), and (vii) requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys during the conduct of investigations and prosecution of perpetrators of contract fraud.

Projected staffing requirements are commensurate with planned changes in DoD procurement levels, departmental acquisition streamlining initiatives, and required effort to complete audits of prior year contract expenditures. These staffing levels also reflect incorporation of the Quadrennial Defense Review recommendations and related DoD initiatives.

It should be noted that savings to the Government, as a result of contract audit services, far exceed the cost of DCAA operations. For example, in FY 1998 the Agency audited \$100.0 billion of incurred cost and reviewed 10,473 forward pricing proposals amounting to \$78.7 billion. Approximately \$2.2 billion in net savings were reported during the year. When compared to the \$364 million expended for the Agency's operations, the return on taxpayers' investment in DCAA was approximately \$6 for each dollar invested.

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II. Force Structure Summary: The workload of DCAA is divided into the major functional categories described below:

1. Forward Pricing Effort. The Federal Acquisition Regulations (FAR) and Public Law 100-679, Cost Accounting Standards (CAS), require Department of Defense (DoD) procurement officials to comply with various administrative procedures before entering into contracts. These procedures include obtaining pertinent accounting and financial advice before making decisions related to prospective contract prices. The ultimate goal of forward pricing audit effort is to assist contracting officers in determining and negotiating fair and reasonable prices for negotiated Government contracts. Preaward services furnished to contracting officers by DCAA include:

a. Price Proposal Audits. These audits are performed to determine the reasonableness of contractors' price proposals submitted in anticipation of negotiating Government contracts. They are specifically requested by contracting officers and must be accomplished within a short period of time to avoid delaying the procurement process. DCAA has no control over the number or timing of price proposal audits and must respond to each audit request.

b. Could Cost or Should Cost Studies and Participation on Integrated Product Teams (IPTs). Should cost studies are initiated by procuring activities who organize a team of specialists and review a contractor's price proposal to determine what a particular procurement could or should cost, depending on which study is being performed. DCAA auditors participate as members of the team of specialists. Such studies usually involve large major weapon system procurements. DCAA auditors also participate on IPTs that include representatives from all appropriate organizations and functional disciplines (normally DCAA, the buying activities, DCMC, and the contractor). Working together with the team leader, the objective is to avoid rework at the end of process by identifying problems and finding potential solutions at the earliest possible point in the procurement process.

c. Forward Pricing Rate Reviews. These reviews are performed to determine the reasonableness of projected labor, overhead, and other indirect expense rates submitted by a contractor prior to submission of price proposals. These rates are normally separately

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II. Force Structure Summary (Continued):

negotiated by a contracting officer and then used by the contractor in subsequent price proposals.

d. Specific Cost Element Reviews and Agreed Upon Procedures. Specific cost element reviews are audits of only specific cost elements within a proposal (e.g., only proposed material or labor costs). Applications of agreed-upon procedures include cost realism reviews and all reviews of information other than cost or pricing data submitted in support of a price proposal.

e. System Surveys. These reviews are performed to determine the reliability, propriety, and accuracy of contractors' estimating, accounting, internal control, and other systems relating to or providing the basis for Government contract costs or pricing. Systems surveys may be either a joint team review in which the experience and capabilities of the auditor and technical specialist are combined, or they may be comprehensive reviews performed solely by auditors. Additionally, these reviews include effort to recommend corrective actions on conditions causing deficiencies disclosed in price proposal evaluations or other audit areas which require immediate reporting and resolution. This also includes the effort required to determine the status of corrective actions taken by contractors on previously disclosed deficiencies.

f. Other. This effort includes providing verbal information to procurement officials on labor rates, overhead rates, and similar factors for smaller procurements.

2. Incurred Cost Effort. The FAR requires DCAA to perform audits of claimed costs incurred and submitted by contractors for reimbursement under cost reimbursable, fixed price incentive, and other types of flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. Although the performance of these incurred cost audits and CAS compliance audits are normally self-initiated, they must be accomplished in order for the Government to make final payment to the contractor. They include reviews of direct labor and material, indirect expenses, and performance and financial controls. Although the primary purpose of incurred cost audits is to express an opinion on the acceptability of costs claimed

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II. Force Structure Summary (Continued):

under Government contracts, knowledge of contractors' accounting, estimating, and internal control systems gained during these audits is invaluable to the evaluation of contractors' price proposals.

3. Operations Audits. DCAA also performs a variety of economy and efficiency audits of contractor operations. DCAA operations audits are systematic reviews of contractor organizational units and functions to evaluate the reasonableness of methods and practices employed on Government contracts.

4. Special Audits. These audits are normally requested by the contracting officer and include reviews of termination claims, progress payment requests, equitable adjustment claims, hardship claims, escalation claims, and contractor financial capability. They must be accomplished within a short period of time to avoid adverse effects such as additional claims for interest on amounts due or contractor financial failure. DCAA has little control on the number or timing of these reviews and must respond to all such requests.

5. Defective Pricing Reviews. The Truth in Negotiations Act, as codified in 10 USC §2306a, requires contracting officers to obtain cost or pricing data from contractors before awarding a contract unless an exception applies. Under TINA the Government has the right to examine these records to evaluate the accuracy, completeness, and currentness of the cost or pricing data required to be submitted. DCAA is responsible for performing these reviews which assist in determining whether a contract or subcontract price was unduly increased because the contractor failed to furnish accurate, complete, or current cost or pricing information in negotiating the contract.

6. Cost Accounting Standards. Contracts and subcontracts not qualifying for an exemption are subject to CAS-coverage as a condition of Government contracting. The FAR assigns DCAA responsibility for reviewing contractors' implementation and compliance with the CAS rules, and regulations.

7. Other Direct Audit Effort. DCAA's audit mission includes other audit-related activities such as providing on-site assistance to procurement and contract administration

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II. Force Structure Summary (Continued):

offices, contract audit coordination (CAC) programs, and negotiation support. Testing performed during development of Agency policies and procedures, and follow-up effort related to Congressional, General Accounting Office (GAO), DoD Inspector General (DoD IG), and other external requests, surveys, and reports are also a part of this activity. The major items within this activity are further described below:

a. Procurement Liaison. DoD Directive 5105.36, dated 9 June 1965, authorized the Director, DCAA to establish and maintain liaison auditors, as appropriate, at major procuring and contract administration offices. The primary functions of procurement liaison auditors are to (i) facilitate effective communication and coordination between procurement officers and auditors, (ii) provide on-the-spot personal consultation and advice in connection with contractors' cost representations and related matters, (iii) provide DCAA management with information regarding specific awards, trends in type and volume of awards, and other data impacting on immediate or long range DCAA responsibilities, and (iv) provide DCAA management with information on the adequacy, responsiveness and timeliness of audit services rendered to procurement and contract administration offices.

b. Contract Audit Coordinator (CAC) Program. A CAC program has been established at the largest DoD contractors whose accounting functions, operations, and contract performance occur at multiple locations under the audit cognizance of multiple DCAA field offices. The program is designed to maintain effective communications and audit coordination at these contractor locations. The CAC program includes effort to (i) disseminate information, (ii) monitor and track problem areas to assure uniform resolution, (iii) arrange and attend CAC conferences, and (iv) coordinate with other DCAA personnel, contractor representatives, and cognizant procurement officials on CAC problems.

c. Negotiation Conferences. A fundamental requirement of DCAA's mission is to provide contract audit services and to be the principal accounting and financial advisor to contracting officials. Many times audit results involve complex accounting issues and/or quantitative analyses that dispute contractor's cost estimates or representations. On these occasions, the best interests of the Government are served by having auditors present at negotiations to offer further explanation of the audit position, perform analyses of

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II. Force Structure Summary (Continued):

additional contractor data presented at the negotiation table, and provide any other accounting and/or financial assistance the contracting officer may require during the negotiation process.

d. External Audit Interface. This activity includes effort expended to develop information and comments on reports from the GAO, DoD IG, or other government inspector general offices. This activity also includes effort related to discussions and conferences, and any interface involving any other government audit organization.

e. Suspected Irregular Conduct (SIC). This activity represents effort expended related to SIC referrals, and responses to requests from investigative agencies or the Department of Justice regarding fraud or other irregular practices. This activity includes the development of evidence for presentation to an U.S. attorney or a grand jury, and/or for use at a trial.

f. Audit Support and Planning. This activity represents effort expended by the field to prepare annual audit requirements and program plan information as well as effort expended on projects and studies requested by the regions or Headquarters. The projects normally relate to new and/or innovative ways of performing DCAA's audit mission, and often add to the body of knowledge needed to enhance Agency mission accomplishment through the development and application of improved audit and/or audit management technology and techniques.

8. Field Support. This category includes support personnel in the five regional offices, the Defense Contract Audit Institute, the Information Technology Division, and the Technical Audit Services Division.

a. Regional Offices. These offices provide technical audit management and supervision, and logistical support in the form of personnel services, payroll, budgeting and accounting, and travel services to field office personnel.

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II. Force Structure Summary (Continued):

b. Defense Contract Audit Institute (DCAI). DCAI provides both centralized and decentralized training for DCAA's audit staff. The Institute offers contract audit oriented courses. In addition, DCAI's trained instructors provide contract audit training segments in courses and seminars offered by other DoD and non-DoD agencies.

c. Information Technology Division (OIT). OIT is responsible for the development, maintenance, and enhancement of DCAA's management information system hardware and software to meet management, administrative, and audit requirements. It is also responsible for operating the Agency-wide telecommunications network, and defining and controlling data management standards.

d. Technical Audit Services Division (OTS). OTS conducts research and distributes information to the field on operations audits, quantitative audit techniques, computer assisted audit techniques, and other auditing topics that have Agency-wide application. OTS also provides technical assistance to auditors in planning reviews of contractor's electronic data processing systems and engineering operations.

e. Field Administrative Support. Field administrative support personnel provide administrative and resource management services to the Field Detachment, the Defense Contract Audit Institute, and the Defense Legal Services staff assigned to DCAA.

f. Other. This category includes personnel from the Defense Legal Service (DLS).

9. Headquarters. DCAA Headquarters performs the work normally associated with the central office of a professional organization. It develops policy and promulgates instructions and operating directives needed to perform the Agency mission. It performs oversight reviews of regional and field office operations, and advises regional offices on resource management matters, including the recruitment and training of personnel. In addition, Headquarters personnel interface with other DoD components as well as other Government agencies and Congressional committees on contract audit matters.

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III. Financial Summary (O&M: \$ in Thousands):

A. <u>Budget Activity Group</u>	FY 1998	FY 1999			FY 2000
	<u>Actual</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>
DCAA Operations	308,292	312,892	311,003	309,143	323,466
DCAA Communications	5,055	7,051	4,307	4,307	6,661
DCAA Management HQ	10,263	10,144	10,402	10,402	10,497
TOTAL	323,610	330,087	325,712	323,852	340,624

B. <u>Reconciliation Summary</u>	Change	
	<u>FY 1999 / FY 1999</u>	<u>FY 1999 / FY 2000</u>
Baseline Funding	330,087	323,852
Distributed Congressional Adjust.	-4,375	
Undistributed Congressional Adjust.	-1,860	
Supplemental Request		
Price Change		11,996
Functional Transfer		
Program Change		4,776
Current Estimate	323,852	340,624

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Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	330,087
2. Congressional Adjustments	
a. Within-grade Increases	0
a. Distributed	-4,375
(1) Within-grade Increases	-2,375
(2) Price Growth Error	-2,000
b. Undistributed	-1,860
(1) Civilian Personnel Under Execution	-1,200
(2) DRI Savings	-282
(3) Revised Economic Assumptions	-136
(4) Congressional Earmarks (Total)	-242
3. FY 1999 Appropriation Enacted	323,852
4. Proposed Supplementals	
a. QDR Savings	
b. Revised Economic Assumptions	0
c. Defense Automated Printing Service	0
d. Congressional Earmarks (Total)	0
5. Transfers In	0
6. Transfers Out	
7. Price Growth	
8. Program Increases	
9. Program Decreases	
10. Revised FY 1999 Estimate	
11. Price Growth	323,852
12. Transfers In	11,996
13. Transfers Out - DoD Computer Forensic Laboratory	-100
14. Program Increases	
a. Annualization of New FY 1999 Program	
b. One-Time FY 2000 Costs	
c. Program Growth in FY 2000	
(1) Voluntary Separation Incentive Payments	775

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c. Program Growth in FY 2000 (continued)		
(2) Communications		2,052
Program growth necessary to support the agency Intranet and other ADP communications requirements including the paperless contracting initiative.		
(3) ADP Services and Software Maintenance		3,042
Program growth necessary to support the agency ADP systems, and upgrade in areas including electronic record keeping and optical technology.		
(4) Travel and Transportation		690
Program growth necessary due to closing/consolidation of Field Audit Offices (FAOs). The geographic area of coverage of the remaining FAOs is expected to increase.		
(5) PCS		752
(6) Overtime		892
(7) Defense Security Services - Transition to "Fee for Service" Agency		253
(8) Counter-drug Demand Reduction		23
(9) National Archives and Records Administration - Transition to "Fee for Service" Agency		300
(10) Audit Services		184
(11) Training		180
(12) Equipment Purchases		254
(13) Other Program Increases		184
15. Total Increases		
16. Program Decreases:		9,481
a. One-Time FY 1999 Costs		
b. Annualization of New FY 1999 Program		
c. Program Decreases in FY 2000		
(1) Reduction of 65 Direct work-years		-4,705
17. Total Decreases		
18. FY 2000 Budget Request		-4,705 340,624

DEFENSE CONTRACT AUDIT AGENCY
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IV. Performance Criteria and Evaluation Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Notes</u>
Forward Pricing	701	729	717	1
Incurring Cost Effort:				
Regular Incurred Costs Audits	1,688	1,503	1,395	
CAS Compliance Audits	93	93	91	
Total Incurred Cost	<u>1,781</u>	<u>1,596</u>	<u>1,486</u>	2
Operations Audits	45	58	58	3
Special Audits	385	393	389	4
Defective Pricing	167	166	164	5
Cost Accounting Standards: Disclosure Statements, Cost Impact Audits, Etc.	112	112	111	6
Other Direct Audit Effort:				
Procurement Support	260	291	335	7
Audit Support & Planning	412	424	418	8
Total Other Direct	<u>672</u>	<u>715</u>	<u>753</u>	
Field Support:				
Regional Offices	312	315	309	
Field Support	102	102	102	
Total Field Support	<u>414</u>	<u>417</u>	<u>411</u>	9
Headquarters	<u>85</u>	<u>85</u>	<u>83</u>	10
Total Work-years	<u>4,362</u>	<u>4,271</u>	<u>4,172</u>	

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	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
A. Incurred Costs (\$ Billions)			
On Hand Beginning Of Year	\$70.4	\$60.7	\$54.7
Received During Year (Adv)	<u>90.3</u>	<u>80.8</u>	<u>82.4</u>
Dollars Subject To Audit	\$160.7	\$141.5	\$137.1
Examined During Year	<u>100.0</u>	<u>86.8</u>	<u>82.2</u>
Ending Inventory	<u>\$60.7</u>	<u>\$54.7</u>	<u>\$54.9</u>
Work-years	1,781	1,596	1,486
Examined Per Workyear (\$ M)	\$56.1	\$54.4	\$55.3
B. Forward Pricing (\$ Billions)			
Amount Examined During Year	\$78.7	\$76.3	\$77.8
Work-years	701	729	717
Examined Per Workyear (\$ M)	\$112.3	\$104.7	\$108.6

DEFENSE CONTRACT AUDIT AGENCY
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Note 1 - The estimated forward pricing audit effort is based on an assessment of contracting officials' demand requirements for forward pricing assistance. This assessment includes an analysis of the actual workload accomplishments during the past several years, adjusted for anticipated productivity improvements and the estimated impact of applicable acquisition reform initiatives.

Note 2 - The Federal Acquisition Regulations (FAR) require an audit of contractor costs incurred under flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, the FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. While the timing for performance of these incurred cost audits is normally self-initiated, they must be accomplished to facilitate the Government's final contract payment to contractors on flexibly priced contracts. However, since the incurred cost area is essentially the only major audit area that DCAA has any control over the initiation of audit performance, budget constraints impact this area more severely than other areas. The estimated work years for incurred cost and CAS compliance testing represent the maximum staff available for this effort after considering higher priority and other demand workload. Workload statistics for incurred cost audits are based on historical data, current field audit requirements, annual field risk assessments, productivity factors, and anticipated changes in the DoD Procurement and RDT&E outlays.

Note 3 - DCAA's operations audits are designed, in part, to evaluate the economy and efficiency of contractor functions or operations which are reimbursed through the contractors' overhead expense rates. Because of the continuing interest in reducing the risk that excessive contractor overhead costs are priced into or reimbursed on DoD contracts, projected workyears provide staffing levels that will allow DCAA to perform required reviews.

Note 4 - Special audit activity is performed in response to requests from contracting officials. Special requests range from simple verification of costs to analyzing complex accounting issues. Contractor claims for contract price adjustments involve accounting issues requiring a high level of audit expertise and oftentimes substantial audit effort. Oversight of DoD contract costs during contract performance by DoD management and Congressional inquiry, contract terminations, progress payment requests, financial

DEFENSE CONTRACT AUDIT AGENCY
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capability audits, earned value management system reviews and other contract claims represent a substantial portion of this workload. Our estimates reflect consideration of historical experience as well as expectations for productivity improvements.

Note 5 - The projected workyears will allow DCAA to perform defective pricing reviews at the required levels of effort. Contracts/subcontracts are selected for defective pricing review based on established selection criteria that consider contract types, dollar amounts, contractor estimating and accounting systems, historical experience, and audit leads. Our estimates reflect consideration of current required audits as adjusted for anticipated productivity improvements.

Note 6 - Public Law 100-679 requires contractors to comply with the Cost Accounting Standards (CAS). Contractors subject to full CAS-coverage are required to submit disclosure statements describing their significant accounting practices. In addition, any voluntary or required changes in accounting practices require DCAA to review their propriety and cost impact on negotiated Government contracts. Projected workyears reflect an anticipated level of activity required to perform reviews of disclosure statements for adequacy and audits of cost impact statements during times of a transforming defense industrial base with increased corporate mergers and acquisitions.

Note 7 - Major activities within Procurement Support include negotiation assistance, investigative support, the contract audit coordinator program, financial advisory service support centers, and procurement liaison auditor effort. Auditors are frequently asked by Government contracting representatives to attend contract negotiation conferences to provide accounting and financial advice. DCAA is also frequently requested to provide contract audit assistance to investigative organizations from all branches of the Government in its battle to combat fraud, waste, and mismanagement. In addition, acquisition reform has changed the need of the procurement community from audits of certified cost data to other forms of financial analysis. Required staffing levels are based on historical performance levels adjusted for additional financial advisory services.

Note 8 - The audit support and planning effort includes the development of DCAA's audit requirements and program plans necessary to accomplish the assigned audit mission at

DEFENSE CONTRACT AUDIT AGENCY
Operations And Maintenance, Defense-Wide
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contractor locations. This planning effort enhances audit coverage and the quality of information available to DCAA management and higher DoD officials responsible for making resource/staffing decisions. Effort associated with performing process improvement projects and studies, and the processing and approval of contract payments is also included in this category. Workyears required for special projects and studies, and requirements and program planning represent the Agency's continuing efforts to improve audit quality and audit management oversight through data analyses, surveys, and the testing of new policies and operating procedures. The estimated staffing levels are based on historical performance levels adjusted for anticipated productivity improvements.

Note 9 - Estimated staffing levels for DCAA Field Support include those required for the Agency's regional offices, the Defense Contract Audit Institute (DCAI), the Information Technology and Technical Audit Services divisions, and other field support units. The estimates are based on current staffing levels adjusted for projected reductions due to the implementation of DCAA's organizational assessment initiatives.

Note 10 - Estimated staff levels for DCAA Headquarters reflect the 10% reduction in management headquarters personnel from FY 1999 through FY 2003 mandated by the Deputy Secretary of Defense.

DEFENSE CONTRACT AUDIT AGENCY
Operations And Maintenance, Defense-Wide
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OPERATION AND MAINTENANCE, DEFENSE-WIDE
Defense Contract Audit Agency

V. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1998 / FY 1999</u>	<u>Change</u> <u>FY 1999 / FY 2000</u>
<u>Civilian End Strength (Total)</u>	4,155	4,387	3,957	232	-430
U.S. Direct Hire	4,149	4,381	3,951	232	-430
Foreign National Direct Hire	1	1	1	0	0
Total Direct Hire	4,150	4,382	3,952	232	-430
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians					
Included in Above-Memo)	(547)	(552)	(488)	5	(64)
<u>Civilian FTEs (Total)</u>	4,336	4,271	4,172	-65	-99
U.S. Direct Hire	4,331	4,265	4,166	-66	-99
Foreign National Direct Hire	0	1	1	1	0
Total Direct Hire	4,331	4,266	4,167	-65	-99
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians					
Included in Above-Memo)	(547)	(552)	(488)	5	(64)

DEFENSE CONTRACT AUDIT AGENCY
Operations And Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

VI. OP 32 Line Items as Applicable (Dollars in Thousand):

	FY 1998 <u>Actual</u>	FOREIGN CURRENCY <u>RATE DIFF</u>	Change FY 1998 - FY 1999		FY 1999 <u>Estimate</u>
			<u>Price Growth</u>	<u>Program Growth</u>	
CIVILIAN PERSONNEL COMPENSATION					
Executive, General	265,895		8,940	(2,671)	272,164
Wage Board	58		(1)	0	57
Foreign National	0		0	32	32
Separation Liability	0		0	0	0
Benefits to Former	916		32	(16)	931
Voluntary Separation	2,956		102	(1,283)	1,775
Disability Compensation	1,209		0	(163)	1,046
Total Civilian Personnel	271,034		9,072	(4,101)	276,005
TRAVEL					
Travel of Personnel	10,928		87	665	11,680
Total Travel	10,928		87	665	11,680
OTHER FUND PURCHASES					
Defense Financing	1,655		61	8	1,724
Total Purchases	1,655		61	8	1,724
TRANSPORTATION					
Commercial Transportation	706		6	3	715
Total Transportation	706		6	3	715
OTHER PURCHASES					
Foreign National	0		0	0	0
Separation Liability	0		0	0	0
Rental Payments	9,915		0	(105)	9,810
Purchased Utilities	55		1	0	56
Purchased Communications	2,052		16	1,326	3,394
Rents (Non-GSA)	1,107		9	5	1,121
Postal Services	380		3	(4)	379
Supplies & Materials	4,176		33	(12)	4,197
Printing & Reproduction	57		1	(1)	57
Equipment Maintenance	511		4	3	518
Equipment Purchases	660		5	(2)	663
Other Contracts	11,855		124	1,540	13,519
Other Costs	14		0	0	14
Total Other Purchases	30,782		196	2,750	33,728
TOTAL	315,105		9,422	(675)	323,852

DEFENSE CONTRACT AUDIT AGENCY
Operations And Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

VI. OP 32 Line Items as Applicable (Dollars in Thousand) (Continued):

	FY 1999 <u>Estimate</u>	FOREIGN	Change		FY 2000 <u>Estimate</u>
		CURRENCY <u>RATE DIFF</u>	Price <u>Growth</u>	Program <u>Growth</u>	
CIVILIAN PERSONNEL COMPENSATION					
Executive, General & Special Schedules	272,164		11,276	(2,553)	280,887
Wage Board	57		2	0	59
Foreign National Direct Hire (FNDH)	32		1	0	33
Separation Liability (FNDH)	0		0	0	0
Benefits to Former Employees	931		40	(317)	654
Voluntary Separation Incentive Payments	1,775		75	775	2,625
Disability Compensation	1,046		0	(17)	1,029
Total Civilian Personnel Compensation	<u>276,005</u>		<u>11,394</u>	<u>(2,112)</u>	<u>285,287</u>
TRAVEL					
Travel of Persons	<u>11,680</u>		<u>175</u>	<u>690</u>	<u>12,545</u>
Total Travel	11,680		175	690	12,545
OTHER FUND PURCHASES					
Defense Financing & Accounting Services	<u>1,724</u>		<u>26</u>	<u>10</u>	<u>1,760</u>
Total Purchases	1,724		26	10	1,760
TRANSPORTATION					
Commercial Transportation	<u>715</u>		<u>11</u>	<u>4</u>	<u>730</u>
Total Transportation	715		11	4	730
OTHER PURCHASES					
Foreign National Indirect Hire (FNIH)	0		0	0	0
Separation Liability (FNIH)	0		0	0	0
Rental Payments to GSA (SLUC)	9,810		0	51	9,861
Purchased Utilities (Non-Fund)	56		1	0	57
Purchased Communications (Non-Fund)	3,394		51	2,052	5,497
Rents (Non-GSA)	1,121		17	7	1,145
Postal Services (U.S.P.S.)	379		5	(6)	378
Supplies & Materials (Non-Fund)	4,197		63	14	4,274
Printing & Reproduction	57		1	1	59
Equipment Maintenance by Contract	518		7	4	529
Equipment Purchases (Non-Fund)	663		10	254	927
Other Contracts	13,519		235	3,807	17,561
Other Costs	14		0	0	14
Total Other Purchases	<u>33,728</u>		<u>390</u>	<u>6,184</u>	<u>40,302</u>
TOTAL	<u>323,852</u>		<u>11,996</u>	<u>4,776</u>	<u>340,624</u>

DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent responsible for finance and accounting activities within DoD. It is the single organization responsible for finance and accounting operations, procedures and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees and annuitants; and by the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistance, transportation and travel. Additionally, DFAS has been designated the DoD program manager for the Overseas Military Banking Program, DoD Travel Card program and the temporary financial manager for the Financial Management and Executive Training Program (FMET).

The budget request provides for:

1. Facility Renovation - GSA will renovate the 44-year old building in Indianapolis, Indiana which is basically unchanged from its original construction to a safe and reliable work environment for employees and in return cap the lease expenses payable to GSA by DoD.
2. Executive and Professional Training - Provides executive, management and technical training for the DoD Financial community to upgrade skills and understanding of newly fielded DFAS financial and accounting operating systems and facility support at the Defense Leadership and Management Program located at Southbridge, Mass.
3. Program Management - Reimbursable costs to DFAS for the management of the DoD Overseas Military Banking program, Travel Card program, International Merchant Purchase Authorization Card (IMPAC) program and credit card program.
4. Defense Security Services costs of processing new and renewal security clearances.

II. Financial Summary (O&M) \$ in Thousands:

	FY 1998	FY 1999			FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Approp</u>	<u>Estimate</u>	<u>Estimate</u>
A. Defense Finance and Accounting Service					
1. Facility Renovation	56,400	41,600	26,600	26,600	25,000
2. Financial Management and Executive Training	24,401	34,566	28,278	28,278	18,003
3. DoD Program Management	-	7,111	1,111	1,111	1,735
4. Security Clearances	-	-	-	-	400
Total	80,801	83,277	55,989	55,989	45,138

**DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

<u>B. Reconciliation Summary</u>	<u>Change FY 1999/FY1999</u>	<u>Change FY 1999/FY 2000</u>
FY 1999 Amended President's Budget	83,277	55,989
Congressional Adjustments (Undistributed)		
Section 8105 - DRI Savings	-72	
Section 8108 - Revised Economic Assuptions	-254	
Section 8050 - Indian Land Mitigation	-62	
Total Other Congressional Adjustments (Undistributed)	-388	
Decrease		
Realignment and rephasing of Building 1 payments in FY98	-15,000	
Elimination of excess program management funds.	-6,000	
Functional Transfers		
Transfer DLAMP to the Defense Human Resources Activity	-5,900	-12,500
Transfer FMET to the Defense Working Capital Fund		-3,000
Transfer IMPAC to the Army		-1,000
Defense Security Services		400
Total Functional Transfers	-5,900	-16,100
Program Decreases		
Facility Project - Bldg 1		-1,600
Program increases		
FMET		6,849
Overseas Banking and Travel Card		2,045
Current Estimate	55,989	45,138

DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

C. <u>Reconciliation of Increases and Decreases:</u> (Dollars in Thousands)		
FY 1999 President's Budget: BA-3		0
FY 1999 Appropriated: BA-3		0
Functional Program Transfers		
Transfers In:		
- FMET (from BA 4)		34,600
Transfers Out:		-5,900
- DLAMP transfer to DHRA		
FY 1999 Current Estimate: BA-3		28,700
Price Growth:		-700
Functional Program Transfers		
Transfers Out:		-15,500
- FMET transfer to the Defense Working Capital Fund	-3,000	
- DLAMP transfer to DHRA	-12,500	
Program Increases:		
- FMET		5,500
FY 2000 BA-3 Budget Request:		18,000
FY 1999 President's Budget: BA-4		83,277
Congressional Adjustment (Undistributed)		-388
- Section 8105 - DRI Savings	-72	
- Section 8108 - Revised Economic Assuptions	-254	
- Section 8050 - Indian Land Mitigation	-62	

DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

Reconciliation of Increases and Decreases: (Dollars in Thousands) (Cont.)

FY 1999 Appropriated: BA-4		82,889
Program Reductions		-21,000
- Building One contract costs restructure of payments	-15,000	
- Program Mangement funding that is not required	-6,000	
Functional Program Transfers		
Transfers Out:		
- FMET (to BA 3)		-34,600
FY 1999 Current Estimate: BA-4		27,289
Price Growth:		313
Functional Program Transfers		
Transfers Out:		-1,000
- International Merchant Purchase Authorization Card Program		
Transfers In:		
- Defense Security Services (Clearances)		400
Program Changes		
Program Increases:		
- Overseas Banking & Travel Programs		2,045
Program Decreases:		
- Building 1 Facility Renovation		-1,909
FY 2000 BA -4 Budget Request:		27,138

**DEFENSE FINANCE AND ACCOUNTING SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

III. Performance Criteria and Evaluation Summary:

N/A

IV. Personnel Summary:

N/A

V. Summary of Price and Program Changes:

	<u>FY 1998</u>	<u>Foreign</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Foreign</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Estimate</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Line 923 Facility Maint	56,400		649	-30,449	26,600		309	-1,909	25,000
Line 989 Other Contracts	<u>24,401</u>		<u>281</u>	<u>4,707</u>	<u>29,389</u>		<u>332</u>	<u>-9,583</u>	<u>20,138</u>
Total	80,801		930	-25,742	55,989		641	-11,492	45,138

UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) DEFENSE SUPPORT ACTIVITY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 4

I. Description of Operations Financed:

The Office of the Under Secretary of Defense (Acquisition and Technology) Defense Support Activity (DSA) operated as a single DSA as recommended by the DoD Inspector General and the General Accounting Office. The resulting organizational structure provided effective oversight and improved technical and analytical support for the OUSD(A&T). The centralization of processes enabled the activity to accommodate mandated downsizing and new responsibilities through efficiencies gained by eliminating duplication by consolidating like activities. The budget reflected these improvements and other initiatives such as oversight and monitoring of the Defense Environmental Security Corporate Information Management (DECIM) Program and the Systems Engineering (SE) Program.

On July 10, 1997, the DepSecDef approved the disestablishment of the OUSD(A&T)DSA and the transfer of its functions and resources to OSD and DLA.

DEFENSE ENVIRONMENTAL CORPORATE INFORMATION MANAGEMENT (DECIM): USD(A&T)DSA was responsible for the oversight and monitoring of DECIM. The FY 1998 funding (\$14.4 million) for DECIM was issued to Edgewood Arsenal via a Military Interdepartmental Purchase Request (MIPR) by DLA. Funding in all other years was transferred to OSD.

EC/EDI: At the beginning of FY 1998, thirteen civilian FTEs and associated funding (\$1.4 million) were realigned to DLA for consolidation of the Electronics Commerce Integration Office (ECIO), supporting DUSD(Logistics), with DLA's Joint Electronic Commerce Program Office (JECPO).

USD(A&T)DSA TRANSFER: At the beginning of FY 1998, the remaining 127 civilian FTEs and associated funding (\$12.2 million) were transferred to OSD.

CENTRAL SUPPORT SERVICES: The remaining FY 1998 funding (\$2.2 million) was transferred to WHS for Central Services Support.

UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) DEFENSE SUPPORT ACTIVITY
 Operations and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates
 Budget Activity 4

II. Force Structure Summary: N/A

III. Financial Summary (\$ in Thousands):

A. <u>Subactivity Group:</u>	FY 1998	Budget	FY 1999		FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>Estimate</u>
DECIM	14,358	0	0	0	0
Transfer to JECPO	1,400	0	0	0	0
Transfer to OSD	12,147	0	0	0	0
Transfer to WHS	2,239	0	0	0	0
TOTAL	30,144	0	0	0	0

B. Reconciliation Summary:

	Change	Change
	<u>FY 1999/1999</u>	<u>FY 1999/2000</u>
Baseline Funding		0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfers	0	0
Program Changes	0	0
Current Estimate	0	0

UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) DEFENSE SUPPORT ACTIVITY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 4

III. Financial Summary (\$ in Thousands):

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	0
2. Congressional Adjustments (Distributed)	0
3. Congressional Adjustments (Undistributed)	0
4. FY 1999 Appropriated Amount	0
5. Price Change	0
6. Total Program Increases	0
7. Total Program Decreases	0
8. Revised FY 1999 Current Estimate	0
9. Price Growth	0
10. Program Increases	0
11. Program Decreases	0
12. FY 2000 Budget Request	0

IV. Performance Criteria and Evaluation Summary: N/A

UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) DEFENSE SUPPORT ACTIVITY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 4

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 98/99</u>	<u>Change FY 99/00</u>
<u>Active Mil End Strength (E/S)(Total)</u>	0	0	0	0	0
<u>Civilian End Strength</u>	0	0	0	0	0
<u>Active Mil Avg Strength (A/S) (Total)</u>	0	0	0	0	0
<u>Civilian Workyears (Total)</u>	0	0	0	0	0

VI. OP-32 Line Items as Applicable (\$ in Thousands):

	<u>FY 1998 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 1999 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2000 Estimate</u>
199 Total Civ Per Comp	0	0	0	0	0	0	0
309 Travel of Persons	1	0	(1)	0	0	0	0
399 Total Travel	1	0	(1)	0	0	0	0
912 Rental Pay'ts to GSA(SLUC)224		0	(224)	0	0	0	0
989 Other Contracts	29,917	329	(30,246)	0	0	0	0
998 Other Costs	2	0	(2)	0	0	0	0
999 Total Other Purchases	30,143	329	(30,472)	0	0	0	0
TOTAL	30,144	329	(30,473)	0	0	0	0

**C4I INTEGRATION SUPPORT ACTIVITY (CISA)
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

I. Description of Operations Financed: The C4I Integration Support Activity (CISA) was a Defense Support Activity operating under the direction, authority, and control of the ASD(C3I) and his Principal Deputy. CISA provided technical and analytical support, as directed, for Defense C4I programs and cross programs evaluation; resource management; integration of C4I architectures and programs; technology development programs; development and validation of C4I requirements; and assessments of comparative worth of C4I systems. In addition, CISA was responsible for the Command, Control, Communications, Computers, and Intelligence Surveillance and Reconnaissance (C4ISR) Decision Support Center (DSC). This center did provide technical and analytical support to various customers within the Department of Defense. Principal taskings had come from the OSD(ASD(C3I)) and the Chairman, Joint Chiefs of Staff (CJCS), which included support to the Joint Requirements Oversight Council (JROC) and the Joint Warfighting Capability Assessment (JWCA) process. Efforts were also be responsive to Defense Acquisition Board (DAB) activities and to the interests of the Departments, Services, and Agencies, as appropriately tasked. DSC capabilities did enhance the C4ISR programmatic decision process.

II. Description of Operations Financed: In accordance with the Defense Reform Initiative action to eliminate all Defense Support Activities, CISA was disestablished and all functions and resources transferred to the Office of the Secretary of Defense on October 1, 1998.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Activity Group</u>	FY 99				
	FY 98 <u>Actuals</u>	<u>Request</u>	<u>Budget Appropriation</u>	<u>Current Estimate</u>	FY 00 <u>Estimate</u>
CISA	11,611	0	0	0	0
Total	11,611	0	0	0	0

**C4I INTEGRATION SUPPORT ACTIVITY (CISA)
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates**

III. Financial Summary (O&M: \$ in Thousands) (Continued):

B. <u>Reconciliation Summary:</u>	<u>Change FY 99/FY 99</u>	<u>Change FY 99/FY 00</u>
Baseline Funding	0	0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfer	0	0
Program Changes:	0	0
Current Estimate	0	0
C. <u>Reconciliation of Increases and Decreases:</u>		
1. FY 1999 President's Budget Request		0
2. Congressional Adjustment		0
3. FY 1999 Appropriation Amount		0
4. Revised FY 1999 Estimate		0
5. Price Growth		0
6. Transfers In		0
7. Transfers Out		0
8. Program Increases:		
9. Total Increases		0
10. Program Decreases:		
11. Total Decrease		0
12. FY 2000 Budget Requested		0

**C4I INTEGRATION SUPPORT ACTIVITY (CISA)
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

IV. PERFORMANCE CRITERIA SUMMARY: N/A

V. PERSONNEL SUMMARY:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 98/99</u>	<u>Change FY 99/00</u>
<u>Active Mil End Strength (E/S)(Total)</u>	0	0	0	0	0
<u>Civilian End Strength</u>	0	0	0	0	0
<u>Active Mil Avg Strength (A/S) (Total)</u>	0	0	0	0	0
<u>Civilian Workyears (Total)</u>	0	0	0	0	0

VI. PRICE AND PROGRAM CHANGES (\$ in Thousands):

<u>SUMMARY OF PRICE AND PROGRAM CHANGES</u>	<u>FY 1998 Actual</u>	<u>Change FY 1998/FY1999</u>		<u>FY 1999 Estimate</u>	<u>Change FY 1999/FY2000</u>		<u>FY 2000 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Executive, General and Special Schedules	2,617	94	(2,711)	0	0	0	0
Per Diem	50	1	(51)	0	0	0	0
Other Travel Costs	51	1	(52)	0	0	0	0
Rental Payments to GSA (SLUC)	288	3	(291)	0	0	0	0
Supplies & Materials (non-DWCF)	41	0	(41)	0	0	0	0
Equipment Purchases (non-DWCF)	500	6	(506)	0	0	0	0
Other Contracts	8,026	88	(8,114)	0	0	0	0
Training Costs	38	0	(38)	0	0	0	0
Total Activity Group	11,611	193	(11,804)	0	0	0	0

**PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates**

I. Description of Operations Financed: Under the provisions of DOD Directive 5100.81, the Plans and Program Analysis Center (PPASC) provided research, studies, and technical and analytical support to the Office of the Secretary of Defense in assessment of DOD plans and programs. Effectiveness of strategic and conventional forces and systems were evaluated through a variety of analytic approaches, including simulations. Sophisticated computer-based operations research tools and techniques were used in all aspects of the organization's mission. In addition, PPASC played a key role in developing DOD standard systems and data for use in selected aspects of DOD's resources allocation decision-making.

II. Description of Operations Financed: In accordance with the Defense Reform Initiative action to eliminate all Defense Support Activities, PPASC was disestablished and all functions and resources transferred to the Office of the Secretary of Defense or the Defense Information Systems Agency on October 1, 1998.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Activity Group</u>	FY 99					
	FY 98 <u>Actuals</u>	<u>Request</u>	Budget <u>Appropriation</u>	Current <u>Estimate</u>	FY 00 <u>Estimate</u>	FY 01 <u>Estimates</u>
PPASC	23,438	0	0	0	0	0
Total	23,438	0	0	0	0	0

B. Reconciliation Summary:

	Change <u>FY 99/FY 99</u>	Change <u>FY 99/FY 00</u>
Baseline Funding	0	0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfer	0	0
Program Changes:	0	0
Current Estimate	0	0

**PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	0
2. Congressional Adjustment	0
3. FY 1999 Appropriation Amount	0
4. Revised FY 1999 Estimate	0
5. Price Growth	0
6. Transfers In	0
7. Transfers Out	0
8. Program Increases:	0
9. Program Decreases:	0
10. FY 2000 Request	0

IV. PERFORMANCE CRITERIA SUMMARY: N/A

**PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates**

PERSONNEL SUMMARY:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 98/99</u>	<u>Change FY 99/00</u>
<u>Active Mil End Strength (E/S)(Total)</u>	0	0	0	0	0
<u>Civilian End Strength</u>	0	0	0	0	0
<u>Active Mil Avg Strength (A/S) (Total)</u>	0	0	0	0	0
<u>Civilian Workyears (Total)</u>	0	0	0	0	0

VI. PRICE AND PROGRAM CHANGES (\$ in Thousands):

	<u>FY 1998</u>	<u>Change FY 1998/FY1999</u>		<u>FY 1999</u>	<u>Change FY 1999/FY2000</u>		<u>FY 2000</u>
	<u>Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>Estimate</u>
Executive, General and Special Schedules	1069	38	-1107	0	0	0	0
Per Diem	26	0	-26	0	0	0	0
Purchased Communications (non-DWCF)	20	0	-20	0	0	0	0
Rents (non-GSA)	996	11	-1007	0	0	0	0
Supplies & Materials (non-DWCF)	15	0	-15	0	0	0	0
Printing & Reproduction	3	0	-3	0	0	0	0
Equipment Maintenance by Contract	1404	15	-1419	0	0	0	0
Equipment Purchases (non-DWCF)	902	10	-912	0	0	0	0
Engineering and Technical Services	806	9	-815	0	0	0	0
Other Contracts	18105	199	-18304	0	0	0	0
Other Costs	71	1	-72	0	0	0	0
Training Costs	21	0	-21	0	0	0	0
Total Activity Group	23438	283	-23721	0	0	0	0

PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

I. Narrative Description:

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support to Humanitarian Assistance and Demining (HA/D) Programs, the Foreign Cooperative Test (FCT), and the African Center for Security Studies (ACSS) Program in accordance with DoD's policy to provide emergency and on-emergency humanitarian assistance; and directs, administers, and supervises the humanitarian demining program.

In 1996, the U.S. Government negotiated a settlement with the Government of Canada for reimbursement of costs for environmental cleanup at four former US military installations in Canada. The U.S. and Canadian Government developed this requirement through extensive negotiations resulting in a formal Exchange of Notes wherein it was agreed that the U.S. would pay a settlement of \$100 million. As of the beginning of FY 1999, Canadian investment support of these environmental cleanup activities totaled \$37.638 million in current year dollars.

In Warsaw in July 1994, President Clinton announced a major foreign policy initiative, saying he would seek \$100 million in FY 1996 to "help America's new democratic partners work with us to advance the Partnership for Peace's goals." The effort became known as the Warsaw Initiative. Congress approved the funds, thereby establishing a single, comprehensive U.S. bilateral program to advance closer relations and interoperability between NATO and Partnership for Peace (PfP) countries. The State Department and the Department of Defense (DoD) cooperatively administer the program; State's portion is provided as Foreign Military Financing; the remainder, administered by DoD.

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

II. Description of Operations Financed:

The FY 2000 funds in the amount \$1.436 million will be used for expenses to operate a government activity such as salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment. Funds in the amount of \$10.550 will be used for the Canadian Environment Cleanup, \$48.920 million for Warsaw Initiative/Partnership for Peace program and \$4.732 million for the African Center for Security Studies.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999		Current <u>Estimate</u>	FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>		
DSCA (BA4)	0	4,610	45,106	45,097	65,638

B. Reconciliation Summary:

	<u>Change FY 1999/FY 1999</u>	<u>Change FY 1999/FY 2000</u>
Baseline Funding	4,610	45,097
Price Change	-	710
Program Changes	40,487	19,831
Current Estimate	45,097	65,638

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

Budget Activity 4

C. Reconciliation of Increases and Decreases:

FY 1999 President's Budget Request		4,610
Congressional Adjustments (Undistributed)		-9
-Section 8105 - DRI Savings	-3	
-Section 8108 - Revised Economic Assumptions	-4	
-Section 8050 - Indian Land Mitigation	-2	
 FY 1999 Appropriated Amount		 4,601
Functional Transfer:		40,496
-Partnership for Peace	41,592	
-Defense Reform Initiative	-1,114	
 FY 1999 Current Estimate		 45,097
 Price Growth		 710
Program Increases/Decreases		19,831
-Canadian Environmental Cleanup program	10,553	
-African Center for Security Studies	2,222	
-Partnership for Peace	7,057	
-Travel	-1	
 FY 2000 Budget Estimate		 65,638

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary:

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support to Humanitarian Assistance and Demining (HA/D) Programs, the African Center for Security Studies (ACSS), Warsaw Initiative/Partnership for Peace program (WI/PfP), and the Foreign Cooperative Testing (FCT) Program. In accordance with DoD's policy provide emergency and non-emergency humanitarian assistance; and directs, administers, and supervises the humanitarian demining program. Tangible performance criteria for the WI/PfP program include number of PfP events supported, number of studies conducted, number of personnel involved, study recommendations acted upon by Partners, number of events hosted, and others.

<u>V. Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
<u>Active Military End Strength (E/S) (Total)</u>				
Officer	0	1	1	0
Enlisted	0	0	0	0
 <u>Civilian End Strength (Total)</u>				
U.S. Direct Hire	0	14	14	0
 <u>Active Military Average Strength (A/S) (Total)</u>				
Officer	0	1	1	0
Enlisted	0	0	0	0
 <u>Civilian FTEs (Total)</u>				
U.S. Direct Hire	0	14	14	0

DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

VI.OP 32 Line Items (Dollars in Thousands):

	FY 1998 <u>Actuals</u>	Change FY 1998 to FY 1999			Change FY 1999 to FY 2000		
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Exec, Gen.							
Spec Schedules	0	0	1,042	1,042	50	0	1,092
Benefits to Former							
Employees	0	0	2	2	0	0	2
Travel of Persons	0	0	100	100	1	-1	100
SLUC (GSA Leases)	0	0	304	304	5	0	309
Purchased							
Communications	0	0	28	28	0	0	28
Rents	0	0	56	56	1	0	57
Postal Services	0	0	13	13	0	0	13
Supplies & Materials	0	0	21	21	0	0	21
Printing &							
Reproduction	0	0	11	11	0	0	11
Equipment Maintenance	0	0	3	3	0	0	3
Equipment (Non-Fund)	0	0	15	15	0	0	15
Contract Consultants	0	0	65	65	1	0	66
Prof, Mgmt & Spt Svcs	0	0	0	0	0	0	0
Contract Studies							
& Analysis	0	0	136	136	2	0	138
Other Contracts	0	0	43,301	43,301	650	19,832	63,783
Total	0	0	45,097	45,097	710	19,831	65,638

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 3: Training and Recruiting

I. Description of Operations Financed:

The Defense Security Service (DSS), formerly Defense Investigative Service, operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)). DSS participates in many of the committees and subject-specific subcommittees operating under the direction of the Security Policy Board which is chaired by the Deputy Secretary of Defense and the Director of Central Intelligence. As recognized by the Joint Security Commission (JSC), the personnel security system is at the heart of the government's security mission. In this Budget Activity DSS performs:

Security Training and Education - to provide a standardized system of resident, on-site and customized security training in the varied and interdependent security disciplines to support a sound information assurance program throughout the Department of Defense (DoD), other federal agencies and Defense Industry. This includes the Department of Defense Polygraph Institute (DoDPI), which provides courses in forensic psychophysiology to both DoD and non-DoD personnel. DSS programming of O&M Defense-wide (Budget Activity 3) includes amounts for this effort. DSS programs an amount of National Foreign Intelligence Program resources, in Budget Activity 4, to support the integration of counterintelligence experience and knowledge into the background investigation process.

Defense Reform Initiative #2 integrated the Department of Defense Security Institute (DoDSI), DoDPI and Defense Personnel Security Research Center (PERSEREC) into the DSS organizational structure. DoDSI and PERSEREC are combined in FY 1998 with existing activities in support of the overall DSS mission of providing security services for the Department. DoDSI is combined with the DSS Policy Directorate and named the Defense Security Service Training Office, the PERSEREC is combined with the DSS Comptroller Directorate and renamed the Security Research Center.

(1) Defense Security Service Training Office (DSSTO) (formerly DoDSI) DSSTO provides worldwide security training, education, awareness, development, and policy support to the Department's security countermeasure professionals, programs, and contractors. DSSTO, for the Secretary, also manages the Interagency Training Center's technical security program that supports the federal community.

DSSTO focuses on improving the performance of security programs and professionals through the production of courses, continuing education, and publications, consulting services, promotion of security and security preparation and its work with the Department and National policy makers and forums. DSSTO presents more than 40 security courses - including resident field extension, interdependent study, and interactive video as well as customized training. The DSSTO selects and authorizes other organizations to present some of its courses, subject to quality control by the DSSTO. DSSTO also produces a series of

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
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Budget Activity 3: Training and Recruiting

select security modules and materials for organizations to train their personnel. DSSTO has begun development of electronic performance support software to substantially improve on-the-job performance of key security tasks. The Defense Security Service Training Office (DSSTO) publishes, collects, evaluates, and distributes security awareness materials for the Department of Defense (DoD) and its cleared contractors. It produces security awareness periodicals and videos as well as a wide range of training and program support materials. DSSTO creates and distributes its products and training material in several media, including paper, magnetic and on-line. The principal customers of DSSTO are Defense military, civilian and contractor activities and personnel. The DSSTO also serves foreign government representatives and supports the broader federal sector in several key areas on behalf of the Department.

DSSTO is the sole training source in several security areas within the federal government and is an integral part of mandatory training required for security professionals in many agencies. DSSTO provides the DoD a common unifying means to prepare individuals for their security program roles and to assist the development of effective security programs. DSSTO currently concentrates its support on security management, risk management, information security, special programs security, personnel security adjudicators, management and investigations, technical security, industrial security management and contractor security, acquisition systems security, systems security engineering, technology control, international program security, foreign disclosure and automated information systems security.

This office is the primary DoD resource for security program training, education, awareness and program development support. DSSTO presents more than 40 courses of instruction including resident, field extension, customized, electronically delivered, and independent study relating to National and DoD security programs. Its students are U.S. Government military personnel and designated civilian employees and representatives of U.S. industry and foreign governments. DSSTO provides technical assistance to DoD components and other federal entities in the development and improvement of their security programs.

The mission is financed with DSS Operation and Maintenance Defense-wide dollars until the customer products and customer identification is developed. DSS Budget Activity 3 for FY 2000 contains \$4,669 thousand that is used to pay for security training courses/products produced by the DSS Working Capital Fund. The personnel are funded through the Defense-wide Working Capital Fund in FY 1999 and through the out years (27 positions). When the customer delineation is complete, DSS will devolve these dollars to the customers. The funding provided will pay for 24 security and education courses attended by approximately 5,700 students from Department of Defense Agencies and Military Departments.

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Budget Activity 3: Training and Recruiting

(2) Security Research Center (SRC) (formerly Department of Defense Personnel Security Research Center) SRC performs personnel security research and analysis for Department of Defense (DoD) components and members of the intelligence community and evaluates improvements to personnel security procedures, programs, and policies. Upon request, SRC provides advice and assistance to DoD components and the intelligence community on selected security subjects. The SRC research program consists of six areas: investigations (research that improves the efficiency and effectiveness of the personnel security investigation); financial (research into financial and credit indicator of personnel security importance); security management (development of automated tools for the personnel security community); prescreening (research into methods of screening personnel for suitability before a clearance action is instituted); and continuing evaluation (development of programs to ensure that cleared personnel maintain their access eligibility).

The SRC mission is financed with Operation and Maintenance Defense-wide in FY 1999; however, the dollars in FY 2000 (\$2.494 thousand) are devolved to DSS customers during this budget submission as part of a larger devolvement number. The full-time-equivalents (10) are moved to the Defense-wide Working Capital Fund in FY 1999 and shown through the budget and program years as DSS General and Administrative costs. The funding for this effort (beginning in FY 2000) is collected from the DSS customers through the Defense-wide Working Capital Fund rate structure. The funding will pay to complete 19 ongoing projects and 18 new projects in the following areas: Automated Monitoring and Financial/Credit; Trust and Betrayal; Continuing Evaluation and Aftercare; Utility Analysis; and Vetting Systems.

(3) Department of Defense Polygraph Institute (DoDPI). DoDPI is an educational and research institution providing introductory and advanced courses in Psychophysiological Detection of Deception (PDD) and related topics. The primary focus is to qualify federal and civilian law enforcement personnel for careers as PDD examiners; to provide continuous effective research in forensic psychophysiology and credibility assessment methods; to establish standards and maintain certification of continuing education for all federal examiners; and oversee a quality assurance review program that promotes and ensures high quality community standards.

DoDPI presents three, thirteen-week graduate level semesters in introductory forensic psychophysiology annually. Each course constitutes sixteen credit hours per semester. The Institute further offers twenty continuing education courses that range in credit from 24 to 80 Continuing Education Units. Additionally, the Institute sponsors the Federal Interagency Seminar each year in the Washington, DC area and recently began sponsorship of an advanced course of instruction in psychophysiology at the University of Virginia (six-semester hour's graduate level credit) for one month each year. The Institute develops and offers computer-based instruction and provides satellite courses throughout the country.

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Budget Activity 3: Training and Recruiting

Mandated by Congress the Department of Defense Polygraph Institute (DoDPI) research program is directed towards: an evaluation of the validity of Psychophysiological Detection of Deception (PDD) techniques used by the Department of Defense; research on PDD countermeasures and counter-countermeasures; and developmental research PDD techniques, instrumentation, and analytic methods.

DSS programs funding for DoDPI in the Operation and Maintenance Defense-wide Budget Activity 3 (\$2,585 thousand). National Foreign Intelligence Program (NFIP) resources \$2,169 thousand in Operation and Maintenance, Defense-wide (for DSS and DoDPI) and \$437 thousand in Research, Development, Test and Evaluation (for DoDPI) are maintained in Budget Activity 4. The DoDPI has a total of 49 personnel - 40 funded through O&M Defense-wide, and 9 funded through the NFIP under Budget Activity 4. Twelve polygraph positions that were erroneously included in the DSS Defense-wide Working Capital Fund are transferred in this budget to the DoDPI.

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
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Budget Activity 3: Training and Recruiting

II. Force Structure Summary: Not applicable to DSS

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 Actuals	FY 1999			FY 2000 Estimate
		Budget Request	Appropriation	Current Estimate	
1. DoDSI ^{1/}	2,848	4,634	4,634	0	0
2. DSS Training Office ^{1/}	0	0	0	4,630	4,669
3. DoDPI	1,927	1,933	1,933	2,073	2,585
4. Security Research Center ^{2/}	2,434	2,674	2,674	2,494	0
Total	7,209	9,241	9,241	9,197	7,254

1/ DoDSI functionally integrated into DSS organization structure per the Defense Reform Initiative, dated November 1997, and disestablished January 1998. DoDSI security awareness and training missions incorporated into DSSTO mission.

2/ Security Research Center resources, projects and responsibilities devolved to DSS customers for the Defense-wide Working Capital Fund in FY 2000.

B. <u>Reconciliation Summary:</u>	Change FY 1999/FY 1999	Change FY 1999/FY 2000
Baseline Funding	9,241	9,197
Price Change	74	200
Program Changes	-118	-2,143
Current Estimate	9,197	7,254

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 3: Training and Recruiting

C. Reconciliation of Increases and Decreases :

1.	FY 1999 President's Budget Request		9,241
2.	Congressional Adjustments (Distributed)		0
3.	Congressional Adjustments (Undistributed)		
	a. Section 8105 - Defense Reform Initiative Savings	-8	
	b. Section 8108 - Revised Economic Assumptions	-4	
	c. Congressional Earmarks (Indian Lands Mitigation)	-8	
4.	Total Other Congressional Adjustments (Undistributed)		-20
5.	FY 1999 Appropriation Amount		9,221
6.	FY 1999 Supplemental Appropriations		0
7.	Functional Transfers-In		0
8.	Functional Transfers-Out		0
9.	Price Change		74
10.	Program Increases		0
11.	Total Increases		0
12.	Program Decreases		
	a. One-Time FY 1999 Costs	-24	
	b. Program Offset due to FY 1999 Price Change	-74	
13.	Total Decreases		-98
14.	Revised FY 1999 Current Estimate		9,197

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
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Budget Activity 3: Training and Recruiting

C. Reconciliation of Increases and Decreases (Continued) :

15.	Price Growth		200
16.	Functional Transfers - In		
	Increases		
	a. Transfer of 12 polygrapher full-time equivalents and associated resources from DSS Defense-wide Working Capital Fund to DSS Operation & Maintenance	400	
17.	Total Increases		400
18.	Functional Transfers - Out		
	Decreases		
	a. Realignment of Security Research Center from DSS Operation & Maintenance to DSS Defense-Wide Working Capital Fund	-2,494	
19.	Total Decreases		-2,494
20.	Program Increases		
	a. Cost of one additional paid day	9	
	b. One-time FY 2000 costs	10	
21.	Total Increases		19
20.	Program Decreases		
	a. One-time FY 2000 costs	-68	
21.	Total Decreases		-68
22.	Revised FY 2000 Estimate		7,254

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 3: Training and Recruiting

IV. Performance Criteria and Evaluation Summary:

<u>Workload</u>	<u>FY 1998</u> <u>Actuals</u>	<u>FY 1999</u> <u>Estimate</u>	<u>FY 2000</u> <u>Estimate</u>
A. <u>Department of Defense Security Institute (DoDSI)</u> ^{1/}			
Courses	31	0	0
Students Output	2,468	0	0
B. <u>Defense Security Service Training Office</u> ^{1/}			
Courses	0	31	31
Students Output	0	5,800	5,900
C. <u>Department of Defense Polygraph Institute (DoDPI)</u>			
Academic			
Basic course enrollment	73	56	56
Continuing education enrollment	426	400	400
Course iterations	27	20	20
Research			
External projects	3	8	8
Internal projects	8	8	8
Quality assurance inspections	10	10	10

1/ DoDSI functionally integrated into DSS organization structure per the Defense Reform Initiative, dated November 1997, and disestablished in January 1998. DoDSI security awareness and training missions incorporated into DSSTO mission.

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 3: Training and Recruiting

IV. Performance Criteria and Evaluation Summary (Continued):

<u>Workload</u>	<u>FY 1998</u> <u>Actuals</u>	<u>FY 1999</u> <u>Estimate</u>	<u>FY 2000</u> <u>Estimate</u>
D. <u>Security Research Center</u> ^{2/}			
Research Projects	19	18	0

The overarching goal of the SRC, in supporting the DSS mission, is to improve the effectiveness, efficiency and fairness of the personnel and industrial security systems. SRC has a staff of nine and, with contractor support, will undertake new projects beginning in FY 1999 in the following areas: Trust and Betrayal; Automated Monitoring and Financial/Credit; Continuing Evaluation and Aftercare; Utility Analysis; and Vetting Systems.

2/ Security Research Center resources, projects and responsibilities devolved to DSS customers in the Defense Working Capital Fund in FY 2000.

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
<u>Civilian End Strength (Total)</u>	36	28	40	12
U.S. Direct Hire	36	28	40	12
<u>Civilian FTEs (Total)</u>	53	27	40	13
U.S. Direct Hire	53	27	40	13

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 3: Training and Recruiting

VI. OP 32 Line Items as Applicable (Dollars in Thousands) :

	FY 1998 Actuals	Change from FY 1998/FY 1999		FY 1999 Estimate	Change from FY 1999/FY 2000		FY 2000 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
1. Executive, General & Special Schedules	3,439	36	-1,702	1,773	89	409	2,271
2. Wage Board	35	0	-35	0	0	0	0
3. Benefits to Former Employees	-91	0	-91	0	0	0	0
4. Voluntary Separation Incentive Payments	225	0	-225	0	0	0	0
5. Travel of Persons	242	3	-156	89	1	5	95
6. GSA Managed Supplies & Materials	0	0	76	76	1	0	77
7. Defense Security Service (DSS)	0	0	7,124	7,124	107	-2,562	4,669
8. Purchased Communications (Non-DBOF)	4	0	-4	0	0	0	0
9. Postal Services (U.S.P.S.)	10	0	-10	0	0	0	0
10. Supplies & Materials (Non-DBOF)	59	1	-60	0	0	0	0
11. Printing & Reproduction	168	2	-170	0	0	0	0
12. Equipment Maintenance by Contract	31	0	-31	0	0	0	0
13. Locally Purchased Fuel (Non-DBOF)	2	0	-2	0	0	0	0
14. Other Contracts	2,903	32	-2,800	135	2	5	142
Total	7,209	74	1,914	9,197	200	-2,143	7,254

DEFENSE SECURITY SERVICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 4: Administration and Servicewide Activities

I. Description of Operations Financed:

The Defense Security Service (DSS), formerly Defense Investigative Service, operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C3I)). DSS administers the Personnel Security Investigations Program and serves as the Department of Defense (DoD) cognizant security authority for the National Industrial Security Program (NISP). As recognized by the Joint Security Commission, the personnel security system is at the heart of the government's security mission. Under the auspices of the NISP, DSS works in partnership with industry performing on classified government contracts or engaging in classified research and development to assist them in establishing and maintaining threat-appropriate security countermeasure systems. DSS participates in many of the committees and subject-specific subcommittees operating under the direction of the Security Policy Board which is chaired by the Deputy Secretary of Defense and the Director for Central Intelligence. In this Budget Activity DSS has four primary mission areas:

(1) Personnel Security Investigations (PSI) Program - to provide accurate, timely personnel security investigations and assurances to the national security community - the Military Departments, Defense Agencies, Intelligence Agencies, Federal Agencies and Industrial Contractors.

The principal mission of the PSI Program is to conduct personnel security investigations for the Military Department, DoD civilians and contractors affiliated with DoD. These investigations are a vital first step in the protection of DoD classified assets and form the cornerstone of the National Security Countermeasures Program. They are conducted to ensure the reliability and trustworthiness of those to whom information vital to national security is entrusted. The President signed Executive Order 12968 on March 17, 1997, which enhanced the investigative requirements of personnel security investigations. Although the new investigative standards for TOP SECRET initial and periodic reinvestigations (PRs) were implemented, the enhanced standards for SECRET and CONFIDENTIAL initial and PRs did not take effect until November 1, 1998. The enhanced standards for the SECRET and CONFIDENTIAL initial and PRs increased the DSS workload since a National Agency Check (NAC) alone is no longer the standard to grant SECRET and CONFIDENTIAL clearances. The NAC is now supplemented with Credit Checks covering all locations the individual has lived, been employed and attended school for the last seven years and a Local Agency Check (LAC) covering the last five years. SECRET and CONFIDENTIAL PRs will also include LAC and Credit Checks covering the time periods stated above, and will be required at ten and fifteen year intervals, respectively. Derogatory information disclosed from these additional elements requires field expansion to resolve the information. Background investigations must meet investigative criteria, conform to laws and regulations, and consider the individual's rights and privacy. DSS is also authorized to conduct polygraph examinations to resolve issues developed during the course of a personnel security investigation and to conduct counterintelligence polygraph examinations as required on personnel involved in certain Special Access Programs.

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The Defense Security Service (DSS) Operations Center Baltimore (OCB), located in Linthicum, Maryland, is responsible for opening, analyzing, controlling, closing and maintaining approximately 570,000 personnel security investigations initiated each year by Department of Defense (DoD) requestors. This endeavor is also supported by the DSS OCB workforce located in Columbus, Ohio, who process, grant, and maintain personnel security clearances for all individuals in industry who require access to classified information. OCB, as the DoD repository for background investigations, also stores and maintains approximately 2.9 million records.

Beginning in FY 1999 (test year) the Personnel Security Investigations (PSI) Program is financed through the Defense-wide Working Capital Fund on a reimbursable basis. In FY 2000 DSS completes the transition to the Defense-wide Working Capital Fund to include the additional devolvement of funds to the DSS customers. The PSI funds remaining in DSS Operation and Maintenance, Defense-wide will purchase 55,219 personnel security investigations for industrial (contractor) personnel. The remaining 516,845 investigations are funded by DSS customers and are programmed in the DSS Defense-wide Working Capital Fund budget. Additional funding is included for 418 personnel investigations for DSS employees. In the program years the industrial PSI remains financed with Operation and Maintenance, Defense-wide funding until clearly defined customer delineation is developed. Future year budgets will show a devolvement of these funds to PSI customers.

(2) National Industrial Security Program (NISP) - The primary focus of DSS' industrial security efforts is in support of DoD implementation of the NISP. In this regard, DSS works to advance and communicate the DoD's directives to protect classified information. The NISP is intended to ensure that private industry, while performing on government contracts, properly safeguards classified information in its possession and employee access thereto. Other aspects of the DSS industrial security mission include support for the Critical Assets Assurance Program; Arms, Ammunition and Explosives Program; and Acquisition Protection Program.

DSS administers the NISP on behalf of DoD and 22 other Federal Government departments and agencies with whom the Secretary of Defense (or designee) has signed Memoranda of Agreement. Industrial security is an integration of information, personnel, and physical security principles applied to the protection of classified information entrusted to industry. The objective of industrial security is to ensure that security systems are established and maintained to (1) deter and detect against acts of espionage and (2) to counter the threat posed by traditional and nontraditional adversaries which target the classified information in the hands of industry. DSS provides proactive, full-service industrial security countermeasure support to more than 11,000 cleared contractor facilities. As part of its NISP efforts, DSS maintains oversight for certain Special Access Programs in industry. The DSS Counterintelligence office enhances the accomplishment of the traditional security countermeasure mission by (1) providing threat information and awareness training for the early detection and referral of cases of potential espionage and (2) assisting industry in the recognition and reporting of foreign intelligence collection attempts.

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The Defense Security Service (DSS), in addition to the National Industrial Security Program (NISP), also has responsibility for three other industrially oriented security programs. The Arms, Ammunition and Explosives Program provides for the protection of sensitive conventional arms, ammunition and explosives in the custody of, or produced by, contractors associated with the Department of Defense (DoD). The Critical Assets Assurance Program promotes the security of facilities that provide critical industrial production and services, thereby, ensuring emergency mobilization preparedness capability. DSS also provides service to contractors participating in the Acquisition Protection Program. Support is also provided to the On-Site Inspection Agency in connection with Arms Control Treaties.

The DSS Operations Center Columbus (OCC), located in Columbus, Ohio, processes and grants facility security clearances to industrial facilities sponsored for clearance by DoD, cleared contractors or any of the 22 other federal agencies. OCC operates a customer service activity that provides information and assistance to industrial facilities, DoD activities, other agencies and the general public. International visit requests are processed by the NISP.

Beginning in FY 1999 (test year) the NISP is financed through the Defense-wide Working Capital Fund on a reimbursable basis. In FY 2000 DSS completes the transition to the Defense-wide Working Capital Fund to include the additional devolvement of funds to the DSS customers. The NISP funds remaining with DSS will maintain 12,245 NISP facility clearances in FY 2000. In the program years the NISP remains financed through the Operation and Maintenance, Defense-wide appropriation until a clearly defined customer base can be developed. Future year budgets will show a devolvement of these funds to NISP customers.

(3) National Foreign Intelligence Program (NFIP) - to provide for the early detection and referral of cases of potential espionage; assist industry in the recognition and reporting for foreign collection attempts; and to provide for the application of security countermeasures in a threat-appropriate manner. This mission is consolidated with the Department of Defense Polygraph Institute and is supported with 18 personnel. This program is not included in the DSS Defense-wide Working Capital Fund. The funds provided support 18 personnel with associated costs.

(4) Information Utility Service - to provide an information utility service (via standardized data bases) to our co-producers, customers and end-users to strengthen the effectiveness of the entire security community through standardized data sharing and communication. Examples of these shared databases include the Defense Clearance and Investigations Index; a web-based database of cleared contractor facilities; and the DoD Personnel Security Clearance View. DSS programs an amount in the Defense-wide Working Capital Fund to support this vital mission.

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II. Force Structure Summary: Not applicable to DSS

III. Financial Summary (O&M: \$ in Thousands):

A. Subactivity Group	FY 1998 <u>Actuals</u>	FY 1999		FY 1999 <u>Estimate</u>	FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Current Appropriation</u>		
1. Investigative Activities	138,164	41,188	41,188	43,993	54,381
2. Industrial Security Activities	25,319	26,308	26,308	27,901	27,845
3. Foreign Counterintelligence Activities	1,529	2,158	2,158	2,158	2,169
4. Management Headquarters	13,239	4,524	4,524	0	0
Total	178,251	74,178	74,178	74,052	84,395

B. Reconciliation Summary:

	<u>Change FY 1999/FY 1999</u>	<u>Change FY 1999/FY 2000</u>
Baseline Funding	74,178	74,052
Price Change	433	1,157
Program Changes	-559	9,186
Current Estimate	74,052	84,395

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C. Reconciliation of Increases and Decreases:

1.	FY 1999 President's Budget Request		74,178
2.	Congressional Adjustments (Distributed)		0
3.	Congressional Adjustments (Undistributed)		
	a. Section 8105 - Defense Reform Initiative Savings	-65	
	b. Section 8108 - Revised Economic Assumptions	-31	
	c. Congressional Earmarks (Indian Lands Mitigation)	-54	
4.	Total Other Congressional Adjustments (Undistributed)		-150
5.	FY 1999 Appropriation Amount		74,028
6.	FY 1999 Supplemental Appropriations		0
7.	Functional Transfers-In		0
8.	Functional Transfers-Out		0
9.	Price Change		433
10.	Program Increases		
	a. One-Time FY 1999 Costs	24	
11.	Total Increases		24
12.	Program Decreases		
	a. Program Offset due to FY 1999 Price Change	-433	
13.	Total Decreases		-433
14.	Revised FY 1999 Current Estimate		74,052
15.	Price Growth		1,157

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C. Reconciliation of Increases and Decreases (Continued) :

16.	Functional Transfers - Out		
	Decreases		
	a. Devolvement of additional DSS Operation & Maintenance resources to smaller DoD agencies for workload	-5,218	
17.	Total Decreases		-5,218
18.	Program Increases		
	a. Increase in customer funding as a result of Defense-wide Working Capital Fund rate setting	200	
	b. Increase to support DSS vehicle program	900	
	c. Change in DoD Telephone Policy Workload	2,100	
	d. Funding to cover the cost of projected FY 1998 workload carried in to the DSS Defense-wide Working Capital Fund and not funded through customer rates	8,400	
	e. Revenue increase from DSS Defense-wide Working Capital Fund	3,500	
	f. Cost of one additional paid day	4	
18.	Total Increases		15,104
19.	Program Decreases		
	a. Change in Defense Finance and Accounting Service methodology for calculating accounting charges	-700	
20.	Total Decreases		-700
21.	Revised FY 2000 Estimate		84,395

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IV. Performance Criteria and Evaluation Summary:

<u>Workload</u>	<u>FY 1998</u> <u>Actual</u>	<u>FY 1999</u> <u>Estimate</u> ^{1/}	<u>FY 2000</u> <u>Estimate</u>
<u>A. Personnel Security Investigation (PSI) Program (Industrial Investigations only for FY 99-00)</u>			
1. Personnel Security Investigations			
Cases Opened (Field Cases)	123,736	26,451 ^{1/}	31,251
Cases Closed (Field Cases)	137,851	28,694	31,491
Pending	40,806	7,627	7,387
<p>The field case workload used prior to FY 1999 was funded with Operation and Maintenance, Defense-wide, and displayed as a "field case" measurement. The FY 2000 Defense-wide Working Capital Fund budget for DSS includes rates for "security products." Field cases are a subset of security products. For example in FY 2000, of the 55,219 security products, 31,251 are projected to become field cases.</p> <p>The security product measurement shown finances the Industrial personnel security investigations according to the rate established in the Defense-wide Working Capital Fund budget.</p>			
Personnel Security Investigations			
Security Products Funded in DSS DWCF	N/A	44,615	55,219
Security Products Completed	N/A	35,692	43,071
Carryover		9,023	12,148
2. National Agency Checks			
NACs	101,090	3,345	3,345
ENTNACs	262,334		

1/ FY 1999 is the test year for implementation of the Defense-wide Working Capital Fund. Beginning in FY 1999 the number of cases shown reflects those funded with DSS Defense-wide O&M. The difference in workload between FY 1998 and FY 1999 results from the transfer of the PSI mission to the Defense-wide Working Capital Fund.

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IV. Performance Criteria and Evaluation Summary (Continued) :

<u>Workload</u>	<u>FY 1998</u> <u>Actual</u>	<u>FY 1999</u> <u>Estimate</u> ^{1/}	<u>FY 2000</u> <u>Estimate</u>
B. <u>Industrial Security Program (ISP)</u>			
Industrial Facility and Personnel Clearance Actions			
Facility Clearances Maintained	11,041	11,195	11,011
Initial Facility Clearances	1,246	1,254	1,234

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
<u>Civilian End Strength (Total)</u>	2,475	18	18	0
U.S. Direct Hire	2,475	18	18	0
<u>Civilian FTEs (Total)</u>	2,412	18	18	0
U.S. Direct Hire	2,412	18	18	0

1/ FY 1999 is the test year for implementation of the Defense-wide Working Capital Fund. The difference in end strength and full-time equivalents between FY 1998 and FY 1999 results from the transfer of the PSI mission to the Defense-wide Working Capital Fund.

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VI. OP 32 Line Items as Applicable (Dollars in Thousands):

	FY 1998 <u>Actuals</u>	Change from FY 1998/FY 1999		FY 1999 <u>Estimate</u>	Change from FY 1999/FY 2000		FY 2000 <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
1. Executive, General & Special Schedules	142,615	159	-141,368	1,406	61	-5	1,462
2. Wage Board	101	0	-101	0	0	0	0
3. Benefits to Former Employees	119	0	-119	0	0	0	0
4. Voluntary Separation Incentive Payments	1,142	0	-1,142	0	0	0	0
5. Disability Compensation	1,093	0	-1,093	0	0	0	0
6. Travel of Persons	2,925	32	-2,742	215	3	-4	214
7. GSA Managed Supplies & Materials	24	0	21	45	7	-10	42
8. Communications Services (DISA)	1,169	13	-1,182	0	0	0	0
9. Defense Security Service (DSS)	0	0	71,888	71,888	1,078	9,254	82,220
10. Commercial Transportation	335	4	-339	0	0	0	0
11. Rental Payments to GSA (SLUC)	5,243	58	-5,301	0	0	0	0
12. Purchased Communications (Non-DBOF)	2,835	31	-2,866	0	0	0	0
13. Rents (Non-GSA)	14	0	-14	0	0	0	0
14. Postal Services (U.S.P.S.)	1,249	14	-1,263	0	0	0	0
15. Supplies & Materials (Non-DBOF)	317	3	-320	0	0	0	0
16. Printing & Reproduction	78	1	-79	0	0	0	0
17. Equipment Maintenance by Contract	1,105	12	-1,117	0	0	0	0
18. Equipment Purchases (Non-DBOF)	1,333	15	-1,235	113	2	-2	113
19. Locally Purchased Fuel (Non-DBOF)	918	-81	-837	0	0	0	0
20. Other Contracts	15,616	172	-15,403	385	6	-47	344
21. Other Costs	20	0	-20	0	0	0	0
Total	178,251	433	-104,632	74,052	1,157	9,186	84,395

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I. Narrative Description:

The Defense Information Systems Agency (DISA) is a combat support agency and performs a critical command, control, computer and intelligence systems mission in support of the President, the Secretary of Defense, the Joint Chiefs of Staff and the Joint Staff, the Combatant Commanders in Chief (CINCs) and the Department of Defense Components under all conditions of peace and war. DISA, by its charter, has a pivotal role to play in ensuring that the Department of Defense (DOD) can exploit the information technology needed to ensure the Full Spectrum Dominance described in the "Joint Vision 2010" (JV2010). The operational concepts described in JV2010 are dependent on, and facilitated by, Information Superiority—the ability to collect and distribute to US forces throughout the battlefield an uninterrupted flow of information while denying the enemy's ability to do the same.

The primary customer, the warfighter, needs access to valid, secure, operationally relevant information in a timely manner to ensure success of military operations. The Defense Information Infrastructure (DII) provides these advanced capabilities for warfighters worldwide. The DII is the shared system of computers, communications, data, applications, security, people, training and other support structures serving DOD's local and worldwide information needs. DISA's contribution to information superiority for the warfighter is to build and sustain critical components of the DII. The core of DISA's DII function is to promote and ensure jointness and interoperability of command, control, communications and computer systems.

DISA provides direct support to the Joint Staff and the combatant CINCs' operations. The capabilities DISA provides are driven by warfighter transmission, messaging, information security, command and control, and combat support requirements. These requirements continuously evolve with the rapid development of information technology. The products and services include Global Command and Control System (GCCS), Global Combat Support System (GCSS), Defense Message System (DMS), certain Defense Information System Network (DISN) capabilities, electronic commerce, and information assurance as well as global operations and contingency support to the CINCs. DISA investments in DOD-wide acquisitions, such as

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I. Narrative Description (Continued):

antivirus capabilities, and investments in key shared assets, such as satellite gateways, reduce costs to DOD, and especially to the Services.

DISA provides foundation information technology activities for all of DOD, such as common engineering, spectrum management, joint test and evaluation; information technology standards; scientific and technical information; software tools; modeling, simulation and assessment; and the DOD Joint Technical Architecture. DISA provides mission support to the National Command Authority outside of DOD, support to the President and Vice President through the White House Communications Agency, and support to the operation of the Office of the Manager of the National Communications System, which focuses on national security/emergency preparedness issues through working with 23 Federal agencies and industry.

II. Description of Operations Financed:

DISA's mission responsibilities have changed dramatically over the past five years. In that time, DISA has realigned its internal priorities to support the warfighter and realigned government personnel resources from lower priority efforts to support major new programs: Global Combat Support System, Information Assurance, Advanced Information Technology Systems Joint Program Office with DARPA, Joint Electronic Commerce Program Office with DLA, and Office of Spectrum Analysis and Management. DOD created several new program elements documenting this change in emphasis.

In the past, the allocation of personnel and dollars has not kept pace with the dynamic changes in DISA's programs. Recognizing this fact, DISA performed a complete "zero-based" review of civilian and military positions in preparing for the FY 2000 Program Objective Memorandum submission. This review was an integral part of DISA's implementing its Defense Agency Performance contract required under the Defense Reform Initiative. The Performance Contract, in line with the Government Performance and Results Act, requires that agencies make their best effort to reflect the true costs of their programs, including the costs of

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II. Description of Operations Financed (Continued):

government personnel resources. Based on the results of that "zero-based" review, DISA realigned civilian pay and related costs, as well as full time equivalent (FTE) staff years, across its programs to more accurately reflect the current allocation of these resources.

The funds requested for Operation and Maintenance are to provide civilian salaries, operating costs and technical contractor support for DISA headquarters and field activities. The activity groups funded are the White House and National Command; Information Assurance; Information Superiority Command and Control (C2); CINC Support and Operations; Joint Test, Spectrum Management and Engineering; Combat Support/Electronic Commerce; DOD Information Services; and Agency Management. Because DISA transitioned to this activity group view in its FY 1999 budget, some anomalies appear between FY 1998 and FY 1999 in the budget levels for these groups. These anomalies largely stem from the realignment of subactivities with the activity groups.

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III. Financial Summary (\$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. White House and National Command	126,546	140,793	136,941	136,941	119,846
2. Info Assurance	86,281	82,102	76,295	83,495	126,572
3. Info Superiority C ²	267,556	240,043	236,204	230,604	263,761
4. CINC Support and Operations	37,266	54,541	56,005	56,005	72,467
5. Joint Test, Spectrum Management & Engineering	38,542	86,279	82,812	82,812	73,786
6. Combat Support/ Electronic Commerce	57,021	98,578	86,021	86,021	92,727
7. DOD Information Services	92,386	43,436	40,824	40,824	48,593
8. Agency Management	33,654	25,334	20,909	20,909	25,152
Total	739,252	771,106	736,011	737,611	822,904

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B. Reconciliation Summary:

	Change	Change
	<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>
Baseline Funding	771,106	737,611
Congressional Adjustments	(35,095)	0
Supplemental Request	0	0
Price Change	(65)	16,884
Functional Transfer	(5,600)	2,545
Program Increases	7,265	65,864
Current Estimate	737,611	822,904

C. Reconciliation of Increases and Decreases:

1.	FY 1999 President's Budget Request	771,106
2.	Congressional Adjustments (Distributed):	
	Global Combat Support System (GCSS)	(10,900)
	Lower Priority Programs	(6,700)
	Management Headquarters	(1,800)
	Total Congressional Adjustments (Distributed):	(19,400)
3.	Congressional Adjustment (Undistributed):	
	ADP Legacy Systems Efficiencies	(11,600)
	Section 8034 - FFRDC	(1,144)
	Section 8105 - DRI Savings	(634)
	Section 8108 - Revised Economic Assumptions	(1,771)
	Congressional Earmarks	(546)
	Total Congressional Adjustment (Undistributed):	(15,695)
4.	FY 1999 Appropriated Amount	736,011
5.	Functional Transfer Out:	
	Pentagon Renovation Transfer Fund	(5,600)

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C. Reconciliation of Increases and Decreases (Continued):

6.	Price Changes		(65)
7.	Program Increases:		
	Retained Savings, Netscape and other Defense-Wide Financing		7,265
8.	Revised FY 1999 Estimate		737,611
9.	Price Growth		16,884
10.	Functional Transfer In:		
	Joint Task Force-Computer Network Defense	2,439	
	Pentagon Reservation/Building Maintenance Fund	906	
	Total Increase		3,345
11.	Functional Transfer Out:		
	DOD Computer Forensic Lab and Training		(800)
12.	Program Increases		
	a. Enhance applications vital to the warfighter with DOD Public Key Infrastructure (PKI) certificates	8,000	
	b. Procure Department of Defense (DOD) Enterprise Licenses for Defense Information Operation (DIO) Tools for the DII (commercial intrusion, detection and attack warning software tools)	14,000	
	c. Increase support to enable DIO reviews at CINC/Service components and Joint Task Forces (JTFs)	1,600	

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C. Reconciliation of Increases and Decreases (Continued):

d. Support to Joint Computer Emergency Response Team (CERT)/Incident Handling Database, for timely information sharing between CINC, Services, Law Enforcement, Intelligence communities	1,300
e. Increase funding for internal security and investigations	1,700
f. Support to DMS to implement Secret But Unclassified (SBU), Unclassified to Secret, and Top Secret/SCI in anticipation of AUTODIN phase out	12,800
g. Enhance the National Coordinating Center's support of emergency operations focused on electronic intrusion indications, warning and response	1,000
h. Increase C4IFTW support to CINC/JTF efforts worldwide	1,618
i. Sustainment funding for C4I standards	1,624
j. Expansion in development and deployment of MILSTAR Voice Conferencing, Standardized Tactical Entry Point (STEP), Information Dissemination Management (IDM), Global Broadcast Services (GBS) connectivity, Mobile Satellite Services (MSS), expanded DISN for Information Services	33,700
k. Accelerate enhancement of DOD's Electronic Commerce infrastructure, central contractor registration operations, electronic buying and selling capabilities, and electronic document access to support paperless contracting	4,600
l. Increase the number of GCSS sites fielded, and provide enhanced functionality and capability for the CSE-COP, GCSS Portal and GCSS Data Mediator to the tactical environment for the warfighter.	7,206

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C. Reconciliation of Increases and Decreases (Continued):

m. Establish Office of Spectrum Analysis and Management	7,300	
n. Increased cost of accounting services from Defense Finance and Accounting Service (DFAS)	3,316	
o. Increased cost of commercial and Pentagon facilities (7,000); and of communications services (11,000)	18,000	
13. Total Program Increases		117,764
14. Program Decreases		
a. Reduce support for Bosnia Command and Control Augmentation	(16,900)	
b. Decrease costs for the Defense Message Service due to completion of engineering, integration, and deployment support of ACP 120 automated access controls, capabilities essential for the closeout of AUTODIN.	(14,000)	
c. FY 1999 funding increase accelerated PSN switch vendor software developments in Government Emergency Telecommunications Service (GETS), resulting in savings and FY 2000 budget reductions	(21,000)	
15. Total Program Decreases		(51,900)
16. FY 2000 Budget Request		822,904

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IV. Performance Criteria and Evaluation Summary:

As the premier Agency in the Department of Defense for providing world-class Information Technology services, DISA recognizes the importance of regularly evaluating it's products and service an effective performance measurement system. Towards the cause of an effective and integrated evaluation process, the agency established, in April 1998, an Integrated Product Team (IPT). To establish, a process to collect, report and use performance measures to manage DISA. Anticipated products of this team are an approach that integrates measurement relative to the requirements of the Director's Performance Contract, the Strategic Plan (GPRA), IT Capital Planning (Clinger-Cohen Bill) and the Internal Management Control Program (FMFIA).

The Director's Performance Contract (DRID 23) articulates Defense Management Council expectations relative to how DISA product lines support the Joint Chiefs of Staff, the Joint Staff, the Combatant Commanders in Chief (CINCs) and the Department of Defense Components under all conditions of peace and war. This contract is in final draft and coordination stages and expectations are relatively firm at this time. Along with the Agency Strategic Plan, this Contract forms the primary goals and objectives upon which DISA's measures are developed and tracked. All major programs and functions are included.

The DISA Strategic plan was issued in March 1998. This plan addresses the DISA mission and vision, the higher level planning documents from which the Strategic Plan evolves, DISA goals and supporting objectives, and performance measures related to DISA goals and objectives. The Performance Contract, along with the Strategic Plan, are the tools enabling DISA to refine its performance plan to improve its measures and establish the linkage to the FY 1999 budget submission. Major progress has been made over the past year. Performance Plans have been established by all Directorates and measures put in place and tracked.

Customer Support

Customer support is very important to DISA. Quarterly, DISA reviews its abilities to support the warfighter in it's Command, Control, Communications, Computers, and Intelligence (C4I)

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IV. Performance Criteria and Evaluation Summary (Continued):

requirements in two regional conflicts (1) at the current time and (2) over the next 12 months. In addition, this year, as part of our Combat Support Agency Review, DISA's ability to support its customers will be a substantive part of the Director's performance contract. DISA will be required to be rated Green (fully satisfying customers requirements) in the majority of all rated areas and be rated Red (not satisfying customer requirements) in no areas.

Joint Staff Support

DISA provides a quarterly review of its abilities to support the warfighter in its Command, Control, Communications, Computers, and Intelligence (C4I) requirements at the current time and over the next 12 months, and in two regional conflicts. The Joint Staff has tasked DISA to identify functions/tasks critical to the mission of the Commanders in Chief (CINCs) using Joint Mission Essential Task Lists (JMETLs) to develop our own Agency Mission Essential Task Lists (AMETLs), to standardize our performance measures using the Universal Joint Task List (common language/terms), and to develop/apply these common measures/standards:

C-1: DISA has only MINOR deficiencies with NEGLIGIBLE impact on capability. Correction is possible within the agency.

C-2: DISA has only MINOR deficiencies with MINOR impact on capability. Correction may require external assistance to correct.

C-3: DISA has SIGNIFICANT deficiencies which REDUCE capability to perform some assigned missions. External assistance is required to correct.

C-4: DISA has MAJOR deficiencies which PREVENT performance of some assigned missions. Significant external assistance is required to correct.

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IV. Performance Criteria and Evaluation Summary (Continued):

Key Examples of Performance Measures:

The following list provides examples of measures used by DISA to evaluate its programs and functions. The measures are currently reported through the use of quarterly performance reports, with planned transition of the measures to the Information Resource Management System (IRMS+) this fiscal year. These measures are continuously and routinely used in Program Reviews, Spend Plans reviews and other reviews to monitor the execution of agency plans and take corrective action when necessary (aggregates and examples, not a comprehensive list).

Pillar Programs:

Defense Message System (DMS)

- Release Approvals, target versus actual
- Operational Availability, target versus actual

Defense Information Services Network (DISN)

- CONUS System/Circuit availability
- Percentage of Telecommunications orders filled in the time specified by the customers

Global Command and Control System (GCCS)

- New release of GCCS every 12 to 18 months

Global Command and Control Support System (GCSS)

- Number of operational GCSS rates
- Release approvals target as actual

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IV. Performance Criteria and Evaluation Summary (Continued):

Major Initiatives - Critical Mission Issues

- Milestone Chart of activities to support paperless operations for major DOD functions in accordance with customer determined milestones (Finance, Transportation, Medical and Logistics)
- Status and milestones for new real-time information assurance situational awareness.

Organizational Management

- Military Personnel on hand versus authorized by OSD
- Joint Billets filled versus total authorized
- Civilian FTE's by appropriation versus authorized
- Intern retention in core business areas by year recruited
- Intern retention in support areas by year recruited
- Acquisition time reduction goals, by month and year

IT Operations

- Defense Megacenter (DMC) Multiple Virtual Storage (MVS) systems Central Processing Unit (CPU) availability, actual versus a 95% goal
- DMC MVS Prime Shift CPU availability versus a 99.5% goal
- DMC UNISYS CPU availability versus a 95% goal
- NIPRNET availability/reliability versus a 100% goal
- Customer satisfaction with DISA engineering, modeling, and enterprise integration studies measured using contractor past performance tool (internal and external customers).

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V. Personnel Summary:
(Total)

	(Actual)			Change	
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength Total	1,629	1,830	1,867	201	37
Officer	413	519	523	106	4
Enlisted	1,216	1,311	1,344	95	33
Civilian End Strength Total	2,417	2,529	2,551	112	22
USDH	2,404	2,516	2,538	112	22
FNDH	0	0	0	0	0
FNIH	3	3	3	0	0
Reimbursable	10	10	10	0	0
Military Workyears Total	1,629	1,830	1,867	201	37
Officer	413	519	523	106	4
Enlisted	1,216	1,311	1,344	95	33
Civilian Workyears Total	2,468	2,474	2,492	6	18
USDH	2,455	2,461	2,479	6	18
FNDH	0	0	0	0	0
FNIH	3	3	3	0	0
Reimbursable	10	10	10	0	0

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VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands):</u>	FY 1998 Actual	Change FY 1998/FY1999		FY 1999 Estimate	Change FY 1999/FY2000		FY 2000 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
Executive, General and Special Schedules	179,486	7,538	256	187,280	7,538	1,349	196,167
Wage Board	966	41	(246)	761	31	0	792
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	979	0	(273)	706	0	0	706
Voluntary Separation Incentive Payments	730	0	(730)	0	0	0	0
Per Diem	9,792	108	8,789	18,689	280	(95)	18,874
Other Travel Costs	16,297	178	(10,774)	5,701	86	(62)	5,725
Leased Vehicles	16,375	181	4,130	20,686	311	(303)	20,694
Communications Services(DWCF)	11,982	(72)	(4,259)	7,651	1,239	19,505	28,395
Pentagon Reservation Maintenance Revolving Fund	4,166	2,295	(4,821)	1,640	(13)	6,054	7,681
Defense Finance and Accounting Services (DFAS)	1,661	61	189	1,911	29	3,107	5,047
Commercial Transportation	653	6	330	989	14	3	1,006
Rental Payments to GSA (SLUC)	12,065	133	(4,712)	7,486	112	(2,816)	4,782
Purchased Utilities (non-DWCF)	3,453	38	(131)	3,360	50	(5)	3,405
Purchased Communications (non-DWCF)	36,074	396	(14,116)	22,354	335	53	22,742
Rents (non-GSA)	409	4	5,272	5,685	85	1,004	6,774
Postal Services (USPS)	112	0	164	276	0	3	279
Supplies & Materials (non-DWCF)	8,009	88	(404)	7,693	115	166	7,974
Printing & Reproduction	571	7	(131)	447	7	178	632
Equipment Maintenance by Contract	15,752	173	(1,368)	14,557	218	393	15,168
Facility Maintenance by Contract	2,296	25	150	2,471	37	187	2,695
Equipment Purchases (non-DWCF)	48,954	538	(38,297)	11,195	168	3,564	14,927
Contract Consultants	12,758	141	(1,439)	11,460	172	(4,271)	7,361
Management and Professional Support Services	53	1	255	309	5	(5)	309
Studies, Analyses and Evaluations	1,096	12	(209)	899	13	(7)	905
Engineering and Technical Services	3,005	33	(2)	3,036	46	(1,364)	1,718
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	313,948	3,454	49,325	366,727	5,501	50,060	422,288
Other Costs	32,493	357	(5,734)	27,116	407	(8,881)	18,642
Training Costs	5,117	57	1,352	6,526	98	592	7,216
Total Activity Group	739,252	15,793	(17,434)	737,611	16,884	68,409	822,904

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I. Description of Operations Financed: The White House and National Command activity group consists of five sub-activities: White House Communications Agency (WHCA), White House Situation Support Staff (WHSSS), Secure Video Teleconferencing System (SVTS), National Communications System (NCS) and Minimum Essential Emergency Communications Network (MEECN).

II. Force Structure Summary: The WHCA provides telecommunications and related support to the President, Vice President, White House Staff, NSC, US Secret Service (USSS) and others as directed by the White House Military Office (WHMO). The WHSSS is tasked with the leadership of several classified programs. WHSSS also provides classified communications, computer, and intelligence systems for the White House Situation Room, the NSC staff, and other White House offices. The SVTS provides essential video telecommunications support to senior national decision-makers.

The NCS is directed by Presidential Executive Order (E.O.) 12472 to assist the President, the National Security Council, the Director of the Office of Science and Technology Policy, and the Director of the Office of Management and Budget in the exercise of the telecommunications functions and responsibilities set forth in Section 2 of E.O. 12472. Also, the NCS assists with planning for and provision of National Security and Emergency Preparedness (NS/EP) telecommunications for the federal government under all circumstances, including crisis or emergency, attack, recovery and reconstitution. The Office of the Manager, NCS, (OMNCS) provides advice on NS/EP telecommunications policy issues through the administration and management of joint industry-government forums such as the National Security Telecommunications Advisory Committee (NSTAC), the NCS Committee of Principals (COP) and the Council of Representatives (COR).

The OMNCS will enhance programs and systems supporting NS/EP telecommunications with new technology features and configurations. Resources will support enhanced call routing and trunk access capability during crisis and disaster situations, even during times when the Public Switched Network (PSN) is damaged, congested, or fragmented during natural or man-made

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II. Force Structure Summary (Continued):

disasters. Priority communications will be available during any emergency through the High Probability of Completion (HPC) features of the Government Emergency Telecommunications Service (GETS). This program will also support the joint government and industry operation of the National Coordinating Center (NCC) and provide support to the President, National Security Council, and the NCS member organizations, ensuring that a survivable, enduring, and effective telecommunications infrastructure is in place to fulfill NS/EP requirements throughout the full spectrum of emergencies. In order to develop and implement reliable communications and related information systems, resources will support government wide efforts to manage the Federal Telecommunications Standards Program and its component inter-agency Federal Telecommunications Standards Committee.

The Minimum Essential Emergency Communications Network (MEECN) supports civilian salaries, operating expenses and contract efforts required to ensure that DISA's C4I modeling, simulation and assessment (MS&A) activities provide direct support to C4I Programs, the Joint Staff, CINCs and the war fighting community in the realization of C4I capabilities. This sub-activity also includes those efforts to extend connectivity of the Airborne National Command Authorities (NCA) to other United States government agencies, industry, and Academia through the Defense Information Infrastructure and the National Information Infrastructure.

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III. Financial Summary (O&M: \$ in thousands):

A. <u>Sub-activity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. WHCA	55,756	50,634	50,634	50,634	50,078
2. WHSSS	3,305	4,219	4,219	4,219	5,210
3. SVTS	3,547	2,002	2,002	2,002	1,989
4. NCS	63,938	81,344	77,549	77,549	59,403
5. MEECN	0	2,594	2,537	2,537	3,166
 Total	 126,546	 140,793	 136,941	 136,941	 119,846
 B. <u>Reconciliation Summary:</u>					
			Change		Change
			<u>FY 1999/FY 1999</u>		<u>FY 1999/FY 2000</u>
Baseline Funding			140,793		136,941
Congressional Adjustments			(3,852)		
Supplemental Request					
Price Change					2,293
Functional Transfers					
Program Changes					(19,388)
Current Estimate			136,941		119,846

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C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request		140,793
2. Congressional Adjustments		
Congressional Adjustments (Distributed)		
Lower Priority Programs	(1,214)	
Congressional Adjustments (Undistributed)		
ADP System Legacy Systems Efficiencies	(2,103)	
Section 8105 - DRI Savings	(114)	
Section 8108 - Revised Economic Assumptions	(323)	
Congressional Earmarks	(98)	
Total Congressional Adjustments		(3,852)
3. FY 1999 Current Estimate		136,941
4. Price Growth		2,293
5. Program Increases		
a. One-Time Costs - WHSSS one-time increase for an independent study of the White House complex Situation Room equipment and operations to determine optimum performance requirements.		491
b. WHSSS increased funding levels to accommodate continued operation and maintenance of computers, communications, and intelligence systems as well as maintenance and upgrades to National level classified systems. Specifically: continued development of a document handling system for the National Security Council (NSC) and the Executive Office of the President; scheduled replacement of laptop computers and network equipment; and continued development of SecureVideo Teleconferencing System (SVTS) capabilities.		447

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C. Reconciliation of Increases and Decreases (Continued):

c. Critical Infrastructure Protection - Provide methodologies and models for simulating the effects of various states of disruption and/or damage to the Public Switched Network (PSN), through the Network Design and Analysis Center (NDAC); analyzing the results and developing methods of intrusion detection and mitigation.	373
d. Emergency Operations - Enhance the operations of the NCC to include support of emergency operations focused on electronic intrusion indications, warning and response.	1,094
e. Interoperability and Standards - Enhance analyses and standards development associated with increased NS/EP initiatives of LANs, the Internet, and wireless systems.	104
f. MEECN - Transfer to National Command Authority (NCA) Engineering Airborne Engineering Support from National Military Command System (NMCS) - Wide Support.	823
6. Total Program Increases	3,332
7. Program Decreases	
a. One-Time Costs WHCA one-time decrease due to purchase or upgrade of systems in FY 1999 for Y2K requirements.	(725)
b. Reduced WHCA funding for Defense Finance and Accounting (DFAS) bill due to revised workload estimates and direct billable hours.	(302)

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C. Reconciliation of Increases and Decreases (Continued):

c. Government Emergency Telecommunications Service (GETS)- FY99 funding increase enabled the acceleration of PSN switch vendor software developments which resulted in outyear savings and budget reductions.	(21,438)
d. MEECN - Rebaselining of civilian pay from the National Command Authority And Nuclear C3 to Information Superiority C2, DISN Operations and Support Engineering	(255)
8. Total Program Decreases	22,720
9. FY 2000 Budget Request	119,846

IV. Performance Criteria and Evaluation Summary:

Performance criteria for this business line are included in the Agency's Performance Criteria Summary.

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V. Personnel Summary:

	(Actual)			Change	Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength Total	806	915	917	109	2
Officer	79	90	92	11	2
Enlisted	727	825	825	98	0
Civilian End Strength Total	110	119	119	9	0
USDH	110	119	119	9	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	806	915	917	109	2
Officer	79	90	92	11	2
Enlisted	727	825	825	98	0
Civilian Workyears Total	92	117	117	25	0
USDH	92	117	117	0	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

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VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	Change FY 1998/FY1999				Change FY 1999/FY2000		
	FY 1998 Actual	Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	7,161	301	2,062	9,524	381	(701)	9,204
Wage Board	47	2	(12)	37	1	1	39
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	3,677	40	8,668	12,385	186	(186)	12,385
Other Travel Costs	11,892	131	(10,950)	1,073	16	(16)	1,073
Leased Vehicles	16,236	179	4,128	20,543	308	(301)	20,550
Communications Services(DWCF)	0	0	0	0	0	0	0
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	191	7	102	300	5	(205)	100
Commercial Transportation	356	4	433	793	12	(2)	803
Rental Payments to GSA (SLUC)	516	6	(2)	520	8	(2)	526
Purchased Utilities (non-DWCF)	1,331	15	(139)	1,207	18	(3)	1,222
Purchased Communications (non-DWCF)	17,444	192	(358)	17,278	259	4	17,541
Rents (non-GSA)	95	1	(15)	81	1	0	82
Postal Services (USPS)	11	0	(1)	10	0	0	10
Supplies & Materials (non-DWCF)	3,692	41	(471)	3,262	49	24	3,335
Printing & Reproduction	85	1	11	97	1	17	115
Equipment Maintenance by Contract	3,025	33	296	3,354	50	41	3,445
Facility Maintenance by Contract	1,002	11	(102)	911	14	(3)	922
Equipment Purchases (non-DWCF)	2,163	24	(735)	1,452	22	355	1,829
Contract Consultants	9	0	(9)	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	33	0	492	525	8	(2)	531
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	50,837	559	6,400	57,796	867	(17,269)	41,394
Other Costs	6,327	70	(1,156)	5,241	79	(1,139)	4,181
Training Costs	416	5	131	552	8	(1)	559
Total Activity Group	126,546	1,622	8,773	136,941	2,293	(19,388)	119,846

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Activity Group: Information Assurance

I. Description of Operations Financed: The Defense Information Systems Agency's INFOSEC program provides the DOD-wide security architecture, technical implementation strategy and current security operations - proactive routine and crisis-response. The security objective for the Defense Information Infrastructure (DII) is to provide the necessary connectivity between systems of all classification levels, while protecting all systems from unauthorized access and assuring their availability, at reasonable risk. Information Security (INFOSEC) is a composite of the means of protecting telecommunications and automated information systems (AIS) and the information they process. The INFOSEC program is intended to improve the information superiority posture of the Department of Defense (DOD).

The Information System Security Program (ISSP), in association with other security disciplines, must provide both traditional and non-traditional techniques to achieve Defense in Depth of the DII. The "plug and play" operational concept of the DII presents some risks and the interconnection of networked DOD systems presents the concept of shared risks - risks accepted by one is subsequently imposed on all. The DISA INFOSEC program layers the defense of the DII into the following initiatives: Secure the Applications, Protect Hosts & Enclaves, Protect the Network, and Operate and Maintain a Secure DII.

II. Force Structure Summary:

Secure the Applications: The first layer of Defense in Depth protects the Warfighter's applications and data and this initiative seeks to secure critical DII applications. This type of protection is often provided by implementing end-to-end or application-to-application encryption. End-to-end encryption has been employed successfully by the military for decades. Application-to-application encryption is now commercially available and has come into relatively widespread use as users of personal computers seek to secure word-processing documents and other data files without having to encrypt all other applications.

The strategy of using asymmetric or public key encryption has attained widespread popularity. Currently, the most reliable and trustworthy means of implementing this strategy is by creation of a Public Key Infrastructure (PKI), which is one of DISA's continuing FY 2000 initiatives. The PKI is an enabling technology that will provide substantive improvements to the security of information transiting DII networks. It will support a new generation of

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II. Force Structure Summary (Continued):

security-enabled applications such as web-browsers, e-mail, and digital signature. Moderate assurance PKI will be developed, integrated and fielded to prove technical and procedural maturity for Defense Travel and other DOD applications.

The Defense Messaging System (DMS) is another key DISA initiative. INFOSEC Funding will provide for the upgrade of the security architecture and design to enable features for high grade messaging required to support the CINC's command centers and other warfighting environments. DISA INFOSEC efforts will ensure continued and improved security for the DMS infrastructure and user security services using state-of-the-art INFOSEC hardware and software products, such as certification authority workstations, high assurance guards, and firewalls. Employment of increasingly robust high-assurance PKI technology will protect DMS sensitive and classified information. High assurance guards and commercial off-the-shelf firewalls employing Multilevel Information System Security Initiative (MISSI) technology will be used to support secret and below messaging service. Security services will continue to be developed and integrated into DII common operating and application environments supporting Command & Control (C2) for the Warfighter. Software Product Integrity Reviews will be conducted to ensure product integrity during the developmental process and after delivery.

Funding will be provided to continue the implementation of common secure interoperability Multiple Security Level (MSL) solutions, for the CINCs and allied/coalition forces. The Joint Staff Requirements Submission (JS2-89) identified four primary requirements for Multiple Security Level/Secret and Below Initiative (MSL/SABI):

- . Development of capabilities that allow systems at differing classification levels to be interfaced.
- . Development of secure components necessary to field MSL capabilities.
- . Development of secure applications - operating systems, database systems, etc. - and secure reclassifiers.
- . Development of expertise and techniques for integrating components into a trusted system.

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II. Force Structure Summary (Continued):

Protect Hosts & Enclaves: The confidentiality and integrity of data must be protected while that data resides in host computers. This critical need extends beyond the immediate host to enclaves of computers and information systems, including Local Area networks (LANs) and Defense Megacenters (DMCs). Protection of hosts and enclaves require a securely configured and administered Certification and Accreditation process. The diversity of environments within an enclave will demand a varied and dynamic means of protection. DISA is taking action to protect these different environments through efforts such as integration of INFOSEC technologies, security training, implementation of a standardized security management environment and resolution of host/enclave vulnerabilities.

Standardized security environments will be enhanced at the DMCs to assure a active monitoring capability to discover and resolve DMC operating system vulnerabilities and ensure these vulnerabilities do not recur. DISA will also support a rigorous certification/accreditation program, as well as plan for and field firewall and secure web server technologies to securely control access to DMC customers' resources.

The Multiple Virtual Storage (MVS) Secure Protocols project (Integrated MISSI Technologies) with its enhanced Identification and Authentication (I&A), Reader-to-Writer Encryption, and Digital Signature will complement Mid-Tier Secure Protocols for protecting the transport links across these diverse enclaves. The MVS Secure Protocols project provides a secure method for user access to mainframe applications and data. When these protocols are integrated and deployed operationally, users will securely access data on the DMC host applications using their desktop/laptop workstations over Transmission Control Protocol/Internet Protocol (TCP/IP) networks.

The Mid-Tier Secure Protocols project provides a secure method of user access to "mid-tier" applications and data. Mid-Tier Secure Protocols will be integrated and deployed operationally and users will securely access the DMC and the Regional Processing Centers' UNIX and Windows NT host applications using their desktop/laptop workstations. Standardized security management environment will focus on intrusion prevention and intrusion detection.

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II. Force Structure Summary (Continued):

Protect the Network: This layer includes initiatives and projects to ensure that DII networks are sufficiently protected from disruption, whether accidental or intentional, and are capable of sustaining a capability to store and distribute information. DISA is responsible for the overall operation and protection of the Defense Information System Network (DISN). To protect the DISN there is a need to develop protective detection/monitoring mechanisms. Funding will continue efforts to deliver a robust "detect" capability to protect the hosts, networks and local enclaves from a variety of attacks in an integrated and effective manner. Ensure planning and integration of security for new network technologies is accomplished properly. Sensors and automated analysis tools to monitor and assess systemic integrity of the DII and intrusion detection systems will be deployed. Modify and enhance malicious code and intrusion detection systems to counter emerging threats.

The situational awareness of the DII is centered on the tools and facilities of the DISA Global and Regional Operations Centers (GOSC/ROSCs). An initial aggregation of integrated commercial, and Government-owned software and systems includes the Automated Infrastructure Management System (AIMS) and facilities build-out supporting a 24-hours, 7-day per week operation.

Operate and Maintain a Secure DII: FY 2000 funding will continue development and implementation of a DOD-wide Information Assurance (IA) strategy with ASD/C3I, which will deny adversaries exploitation opportunities while ensuring timely, accurate, relevant information access to the Warfighter.

- . Utilize developed Information Warfare Defense (IW-D) testing and verification capabilities in direct support of DISA's priority DII projects.
- . Conduct initial tests of INFOSEC products and systems.
- . Continue to track trends, which impact security standards.
- . Identify standardization areas and track status of standards.
- . Start development of separation technology standards.
- . Start development and integration of IW models with existing C4I simulations.
- . Continue with a comprehensive Education, Training, and Awareness program.
- . Integrate and develop System Administrator and DOD INFOSEC training courses.

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II. Force Structure Summary (Continued):

- . Staff and operate incident analysis and reporting at the Global Operation Security Center /Regional Operation Security Center (GOSC/ROSCs) on a 24 x7 schedule.
- . Perform Communications-Electronics Accommodation Program certification and accreditation on all service/agency classified network connections.
- . Provide certification and accreditation services for DISA & DOD systems.
- . Deploy intrusion detection tools and system monitoring and configuration control systems to DISA, CINC, and service/agency enclaves.
- . Conduct CINC Defensive Information Operations (DIO) Reviews: detect vulnerabilities by assessing CINC Defense Information Office (DIO) posture and provide near-term solutions.

III. Financial Summary (O&M: \$ in thousands):

	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
A. <u>Subactivity Group</u>					
Information Security	86,281	82,102	83,495	83,495	126,572

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
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Activity Group: Information Assurance

<u>B. Reconciliation Summary:</u>	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	82,102	83,495
Congressional Adjustments	(5,807)	
Price Change		1,156
Functional Transfer		1,639
Program Change	7,200	39,971
Current Estimate	83,495	126,572

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	82,102
2. Congressional Adjustment (Distributed):	
Lower Priority Programs	(1,791)
Congressional Adjustment (Undistributed):	
ADP System Legacy Systems Efficiencies	(3,106)
Section 8034 - FFRDC	(119)
Section 8105 - DRI Savings	(170)
Section 8108 - Revised Economic Assumptions	(475)
Congressional Earmarks	(146)
Total Congressional Adjustment	(5,807)
3. Price Changes	
Price change due to reduction in inflation indices	(65)
4. Program Increases	
Funding for DOD-Wide Enterprise Netscape License	7,200
Retained Savings due to lower inflation.	65

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Operation and Maintenance, Defense-Wide
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Activity Group: Information Assurance

C. Reconciliation of Increases and Decreases (Continued):

5.	Total Program Increases	7,265
6.	Revised FY 1999 Current Estimate	83,495
7.	Price Change	1,156
8.	Functional Transfer In:	
	Joint Task Force-Computer Network Defense	2,439
	Functional Transfer Out:	
	DOD Computer Forensic Lab and Training	(800)
	Total Transfers	1,639
9.	Program Increases	
	a. Enhance application to accept and use DoD Public Key Infrastructure (PKI) certificates that will provide data integrity, user identification and authentication, user non-repudiation, data confidentiality, encryption and digital signature services for applications vital to the warfighter	8,000
	b. Support to DMS to implement Secret But Unclassified (SBU), Unclassified to Secret, and Top Secret/SCI in anticipation of AUTODIN phase out.	12,800
	c. Support to Joint Computer Emergency Response Team (CERT)/Incident Handling Database to provide a distributed incident database for rapid reporting, analysis, and dissemination of incident information. Allows for information sharing between CINC, Services, Law Enforcement, Intelligence and other elements in a timely manner.	1,300

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Activity Group: Information Assurance

C. Reconciliation of Increases and Decreases (Continued):

d. Procure Department of Defense (DOD) Enterprise Licenses for Defense Information Operation (DIO) Tools. Provides licensing of commercial Intrusion, detection and attach warning software tools for the DII.

14,222

e. Increased CINC component support to enable DIO reviews at CINC/Service components and the Joint Task Forces (JTFs). Reviews include Policy, procedures, Concepts of Operations (CONOPS) and other document Development, risk and threat analysis, INFOSEC and Operation Security (OPSEC) surveys, security configuration of retrievals and hosts, vulnerability resolution, red team evaluations, security training and other INFOSEC product support.

1,600

f. Increased funding for the DISA internal security program to implement DOD personnel security policy and regulations. DISA, as a combat support agency, mandates that all employees have and maintain a security clearance in accordance with the National Security Act of 1947, as amended. Under the Defense Reform Initiative, the Defense Security Services (DSS) is transitioning to a fee-for-service organization beginning in FY 2000 to further strengthen DSS's ability to focus on results and improve their effectiveness. As a customer, DISA requires funds to pay for the personnel security investigations to be conducted.

2,000

g. Increase in civilian pay costs for additional positions added to the INFOSEC mission.

271

10. Total Program Increases

39,971

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Activity Group: Information Assurance

C. Reconciliation of Increases and Decreases (Continued):

11. FY 2000 Budget Request

126,572

IV. Performance Criteria and Evaluation Summary:

Performance criteria for this business line are included in the Agency's Performance Criteria Summary.

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Operation and Maintenance, Defense-Wide
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Activity Group: Information Assurance

V. Personnel Summary:

	(Actual)			Change	
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength Total	19	45	45	26	0
Officer	12	36	36	24	0
Enlisted	7	9	9	2	0
Civilian End Strength Total	98	113	113	15	0
USDH	98	113	113	15	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	19	45	45	26	0
Officer	12	36	36	24	0
Enlisted	7	9	9	2	0
Civilian Workyears Total	81	111	111	30	0
USDH	81	111	111	30	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

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VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	FY 1998 Actual	Change Price Growth	FY 1998/ Program Growth	FY 1999 Estimate	Change Price Growth	FY 1999/ Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	5,007	210	3,379	8,596	344	1,319	10,259
Wage Board	0	0	0	0	0	0	0
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	346	4	34	384	6	122	512
Other Travel Costs	230	3	22	255	4	(52)	207
Leased Vehicles	0	0	0	0	0	0	0
Communications Services(DWCF)	0	0	0	0	0	0	0
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	26	0	(26)	0	0	0	0
Rental Payments to GSA (SLUC)	3	0	(3)	0	0	0	0
Purchased Utilities (non-DWCF)	5	0	(5)	0	0	0	0
Purchased Communications (non-DWCF)	20	0	250	270	4	193	467
Rents (non-GSA)	0	0	1,486	1,486	22	23	1,531
Postal Services (USPS)	0	0	0	0	0	0	0
Supplies & Materials (non-DWCF)	122	1	(51)	72	1	33	106
Printing & Reproduction	0	0	0	0	0	149	149
Equipment Maintenance by Contract	797	9	(666)	140	2	62	204
Facility Maintenance by Contract	5	0	(5)	0	0	0	0
Equipment Purchases (non-DWCF)	6,399	70	(6,254)	215	3	264	482
Contract Consultants	2,058	23	139	2,220	33	(403)	1,850
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	70,165	772	(1,353)	69,584	1,044	35,690	106,318
Other Costs	981	11	(846)	146	2	4,114	4,262
Training Costs	117	1	9	127	2	96	225
Total Activity Group	86,281	1,104	(3,890)	83,495	1,467	41,610	126,572

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: Information Superiority C2

I. Description of Operations Financed: The DISA Information Superiority C2 activity group is comprised of four subactivities: the Global Command & Control System (GCCS), the Defense Information Systems Network (DISN), the Defense Message System (DMS), and the National Military Command Systems (NMCS).

II. Force Structure Summary: The GCCS is the cornerstone of the Command, Control, Communications, Computers, and Intelligence (C4I) for the Warrior (C4IFTW) effort and both replaced and exceeded the capabilities of the Worldwide Military Command & Control System (WWMCCS). GCCS is a single joint command and control (C2) system that allows seamless integration of information for the Chairman, Joint Chiefs of Staff (CJCS), the Commanders in Chief (CINCs), and the Services providing joint and multinational operations into the 21st century. A key C4I capability, GCCS supports Joint Vision 2010's objectives of Dominant Maneuver, Precision Engagement, Full Dimensional Protection, and Focused Logistics. The system supports the National Command Authority (NCA) and subordinate elements by providing synchronized operations from dispersed locations and provides Joint C4I to support the entire force projection cycle. It provides responsive C2, the capability to assess the level of success, and the ability to retain flexibility to re-engage with precision by allowing the Joint Task Force (JTF) commander the ability to maintain dominant battlefield awareness through a fused, integrated, near real-time picture of the battlespace. In addition, GCCS provides protection of friendly forces by maintaining multidimensional battlefield awareness, friendly force readiness, and defensive Information Warfare (IW). As a warfighter-oriented system, GCCS provides improved information processing support in the areas of planning, mobility, and sustainment to the combatant commanders, the Services, and the Defense agencies. It consists of all the necessary hardware, software, procedures, standards and interfaces for connectivity worldwide at all levels of commands. This system complies with the Defense Information Infrastructure (DII) Common Operating Environment (COE). The system supports and manages a wide assortment of mission critical, inter-Service, Service unique, and site-unique applications, databases and office automation tools. The GCCS is constructed on an open architecture infrastructure that allows a diverse group of systems, and commercial-off-the-shelf (COTS) software packages to operate at any GCCS location with a consistent look and feel. This approach allows for the vertical interoperability and shared view of the battlefield from the NCA down to the JTF

DEFENSE INFORMATION SYSTEMS AGENCY
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II. Force Structure Summary (continued):

component tactical commander. Similarly, GCCS also supports the horizontal interoperability among the Service components and within individual Services.

The DISN seamlessly spans both the terrestrial and space strategic domains, as well as the tactical domain, to provide the interoperable telecommunications connectivity and value added services required to plan, implement, and support any operational mission. DISN provides US Government-controlled and secured voice, data, imagery, video teleconferencing and dedicated point-to-point transmission services, and enables seamless information transfer processes. DISN is the underlying global transport capability necessary for the success of other cornerstone programs such as GCCS and DMS. In order to provide a global, secured, interoperable information transport infrastructure in support of the Department's mission and mission needs, DISA's primary effort for DISN include: CONUS, PACIFIC, EUROPE long-haul telecommunications services; DEPLOYED Standard Tactical Entry Point (STEP); Mobile Satellite Services (MSS); Global Broadcast Service (GBS); Information Dissemination Management (IDM); DISN Global Initiatives; and SATCOM architecture and integration which includes C4I Requirements and Assessments. These efforts support the DISA/Joint Staff/DOD goals associated with C4I for the Warrior and Joint Vision 2010.

The DMS provides DOD a standardized, reliable, accountable and secure organizational and individual writer-to-reader command and control messaging capability and will replace, by December 1999, the outdated message system currently provided by the Automatic Digital Network (AUTODIN). The target architecture will maximize the use of non-developmental and COTS software components based upon international standard protocols. The DMS is the designated migration system for messaging and directory services which will replace AUTODIN and legacy mail systems for organizational messaging utilizing the Defense Information Systems Network (DISN). The DMS will reduce costs and staffing requirements for DoD as well as improve messaging security and service. DMS supports Joint Vision 2010's four objectives of Dominant Maneuver, Precision Engagement, Full Dimensional Protection, and Focused Logistics.

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Activity Group: Information Superiority C2

II. Force Structure Summary (continued):

The NMCS provides the NCA, National Military Command Centers (NMCC), Executive Travel fleet, Office of the Secretary of Defense (OSD), CJCS, and the President of the United States support to maintain C2 capabilities, ensure continuous availability of emergency messaging, and maintaining situational and operational awareness.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. Global C2 System	57,342	59,334	53,734	53,734	63,191
2. DISN	176,319	139,552	135,875	135,875	173,737
3. Defense Message System	33,355	39,930	39,804	39,804	26,110
4. NMCS	0	1,227	1,191	1,191	723
Total	267,556	240,043	236,204	230,604	263,761

B. Reconciliation Summary:

	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	240,043	230,604
Congressional Adjustments	(3,839)	
Price Change		
Functional Transfers	(5,600)	5,827
Program Changes		27,330
Current Estimate	230,604	263,761

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
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Activity Group: Information Superiority C2

C. Reconciliation of Increases and Decreases:

1.	FY 1999 President's Budget Request	240,043
2.	Congressional Adjustment (Distributed) Lower Priority Programs	(927)
	Congressional Adjustment (Undistributed)	
	ADP System Legacy Systems Efficiencies	(1,889)
	Section 8034	(543)
	Section 8105 - DRI Savings	(103)
	Section 8108 - Revised Economic Assumptions	(289)
	Congressional Earmarks	(88)
	Total Congressional Adjustments	(3,839)
3.	Functional Transfer-Out Pentagon Reservation Transfer Fund	(5,600)
4.	Revised FY 1999 Estimate	230,604
5.	Price Change	5,827
6.	Program Increases	
	a. The Global Command and Control System (GCCS) shows an increase due to the inclusion of Pentagon Reservation Fund dollars in the FY 2000 budget (\$6,426) and realignment of Civilian Pay (\$2,151).	8,577

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C. Reconciliation of Increases and Decreases (Continued):

b. The Defense Information Systems Network (DISN) showed an overall program increase due to expansion in development and deployment of MILSTAR Voice Conferencing, Standardized Tactical Entry Point (STEP), Information Dissemination Management (IDM), Global Broadcast Services (GBS) connectivity (\$18,894), Mobile Satellite Services (MSS) (\$1,000), a realignment of internal engineering resources from DII Common Engineering to direct support of DISN (\$8,934), payment of Universal Services fee (\$11,000), expanded DISN for Information Services (\$13,797), Y2K compliance and DII for Network Management (\$2,265), EIPP Program (\$310) and enhancements to the Defense Information Technology Management System (\$91). 56,291

7. Total Program Increases 64,868

8. Program Decreases:

a. GCCS decreased as a result of reduced fielding and installation expenses and reduced operational evaluation expenses (-\$2,120) and slight decline in engineering support (-\$924). (3,044)

b. The DISN decreased due to reduced support for the Bosnia Command and Control Augmentation (-\$16,900), and declining GSA rental payment due to reduced space requirements (-\$2,885). (19,785)

c. The Defense Message System program decreased due to completion of engineering, integration, and deployment support of ACP 120 automated access controls, capabilities essential for the closeout of AUTODIN. (14,217)

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C. Reconciliation of Increases and Decreases (Continued):

d. The NMCS decreased due to the transfer of National Command Authority (NCA) Airborne Engineering Support to the Minimum Essential Emergency Communications Network (PE 0303131K) and realignment of civilian staff to other projects/tasks. (492)

9. Total Program Decrease (37,538)

10. FY 2000 Budget Request 263,761

IV. Performance Criteria and Evaluation Summary:

Performance criteria for this business line are included in the Agency's Performance Criteria Summary.

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Activity Group: Information Superiority C2

V. Personnel Summary:

	(Actual)			Change	Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength Total	422	436	473	14	37
Officer	169	194	196	25	2
Enlisted	253	242	277	-11	35
Civilian End Strength Total	1,025	1,061	1,065	36	4
USDH	1,015	1,051	1,055	36	4
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	10	10	10	0	0
Military Workyears Total	422	436	473	14	37
Officer	169	194	196	25	2
Enlisted	253	242	277	-11	35
Civilian Workyears Total	998	1,038	1,040	40	2
USDH	988	1,028	1,030	40	2
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	10	10	10	0	0

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Activity Group: Information Superiority C2

VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands):</u>	FY 1998 Actual	Change Price Growth	FY 1998/FY1999 Program Growth	FY 1999 Estimate	Change Price Growth	FY 1999/FY2000 Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	74,085	3,112	(14,546)	62,651	2,506	17,206	82,363
Wage Board	714	30	(181)	563	23	(1)	585
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	2,404	26	(507)	1,923	29	(88)	1,864
Other Travel Costs	1,888	21	(407)	1,502	23	(52)	1,473
Leased Vehicles	24	0	(1)	23	0	0	23
Communications Services(DWCF)	9,171	(55)	(3,491)	5,625	911	18,770	25,306
Pentagon Reservation Maintenance Revolving Fund	4,166	2,295	(4,821)	1,640	(13)	6,054	7,681
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	101	1	(38)	64	1	2	67
Rental Payments to GSA (SLUC)	11,546	127	(8,409)	3,264	49	(1,027)	2,286
Purchased Utilities (non-DWCF)	889	10	(25)	874	13	1	888
Purchased Communications (non-DWCF)	15,608	172	(14,256)	1,524	23	91	1,638
Rents (non-GSA)	262	3	277	542	8	12	562
Postal Services (USPS)	6	0	17	23	0	1	24
Supplies & Materials (non-DWCF)	1,325	15	398	1,738	26	(154)	1,610
Printing & Reproduction	15	0	(2)	13	0	0	13
Equipment Maintenance by Contract	5,889	65	(716)	5,238	79	427	5,744
Facility Maintenance by Contract	80	1	385	466	7	5	478
Equipment Purchases (non-DWCF)	16,252	179	(13,401)	3,030	45	319	3,394
Contract Consultants	7,241	80	(581)	6,740	101	(4,080)	2,761
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	374	374	5	(5)	374
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	101,638	1,118	15,202	117,958	1,769	(49)	119,678
Other Costs	12,994	143	141	13,278	199	(10,360)	3,117
Training Costs	1,258	14	279	1,551	23	258	1,832
Total Activity Group	267,556	7,357	(44,309)	230,604	5,827	27,330	263,761

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: CINC Support and Operations

I. Description of Operations Financed:

The CINC Field Support and Operations activity group consists of three sub-activities: Command, Control, Communications, Computers, and Intelligence (C4I) for the Warrior (C4IFTW) including six Field Offices supporting seven CINCs, the DISA European (DISA EUR) Field Command, and the DISA Pacific (DISA PAC) Field Command. In FY 1999, \$.349 million of a \$1.8 million Congressional reduction to Headquarters Management was taken in the CINC Support and Operations business line because, in the FY 1999 President's Budget, this portion of C4IFTW was included in the Mission Support component of the Headquarters Management program.

II. Force Structure Summary:

Command, Control, Communications, Computers, and Intelligence (C4I) for the Warrior (C4IFTW): Seamless end-to-end connectivity of Information Technology (IT) capabilities is an essential component of the Joint Vision 2010 (JV2010) concept for the Defense Information Infrastructure (DII). Six Field Offices supporting seven CINCs provide direct, local, day to day support, leveraging all of DISA for assistance. The aim is to assure that the CINCs receive maximum support for the warfighter. The C4IFTW supports this effort through identifying and defining requirements for the Global Combat Support System, the Global Command and Control System, the Defense Message System, Information Assurance, Information Dissemination Management, and Electronic Commerce. It also develops cost studies and strategic plans. Resolving JV2010 interoperability issues among the services and allies is of primary importance and is achieved through the development, adoption, specification, certification, and enforcement of standards for information technology, telecommunications, and data. The Assistant Secretary of Defense for Command, Control, Communication, and Intelligence assigned DISA to be the DOD Executive Agent for Information Standards. Also, the DOD Directive 4120.3 on Defense Standardization Program designates DISA as the Lead Standardization Activity for Information Standards and Technology, Data Systems Standards. As such, DISA participates in both government and non-government standards activities in the international defense community. Specifics are identified in DOD directives. In addition, DISA responds to the Joint Staff's requests for technical standards assessment.

Salaries and operating expenses for the DISA personnel supporting the transition and operational cut-over planning for the DISA/Defense Advanced Research Project Agency (DARPA)

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Operation and Maintenance, Defense-Wide
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Activity Group: CINC Support and Operations

II. Force Structure (Continued):

Joint Program Office are included. C4ITFW also focuses on Human Resource Management encompassing strategic training and other human resource activities which maximize DISA's world-wide support to the warfighter. The strategic training effort provides policy, programs and services for training, education, and development specifically aimed at giving the DISA-wide civilian and military community the new skills required for a JV2010 workforce. The C4IFTW's funding also supports the DOD's effort to consolidate civilian personnel operations such as recruitment, staffing, classification, workforce relations and human resource development into regional centers.

DISA EUR and DISA PAC: The Field Commands provide direct support to their respective CINCs. This includes planning and engineering support for on-site information systems, operating networks, and providing technical assistance. Field Commands also provide project guidance and consultation to their respective CINCs, subordinates, service components, and JTF commanders during peacetime and during periods of crisis, contingency, and exercises.

III. Financial Summary (O&M: \$ in thousands):

A. <u>Sub-activity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. C4IFTW	9,597	38,752	40,216	40,216	57,179
2. DISA EUR	7,200	7,406	7,406	7,406	7,427
3. DISA PAC	7,900	8,383	8,383	8,383	7,861
4. Counter Drug	<u>12,569</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>37,266</u>	<u>54,541</u>	<u>56,005</u>	<u>56,005</u>	<u>72,467</u>

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: CINC Support and Operations

<u>B. Reconciliation Summary:</u>	Change	Change
	<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>
Baseline Funding	54,541	56,005
Congressional Adjustments	(1,510)	
Supplemental Request		
Price Change		1,654
Program Changes	2,974*	14,808
Current Estimate	56,005	72,467

*Technically this is not a program change. This increase reflects the realignment of personnel to the proper programs/program elements within DISA.

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	54,541
2. Congressional Adjustment (Distributed):	
Management Headquarters: \$349 of a \$1,800 Congressional reduction to Management Headquarters was taken in the CINC Support and Operations Business line. (In the FY 1999 President's Budget C4IFTW was included in the Mission Support Component of the Management Headquarters program)	(349)
Lower Priority Programs	(366)

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: CINC Support and Operations

C. Reconciliation of Increases and Decreases (Continued):

Congressional Adjustment (Undistributed):	
ADP System Legacy Systems Efficiencies	(634)
Section 8105 - DRI Savings	(35)
Section 8108 - Revised Economic Assumptions	(97)
Congressional Earmarks	(29)
 Total Congressional Adjustment	 (1,510)
5. Program Increases	2,974*
6. Revised FY 1999 Current Estimate	56,005
8. Price Change	1,654
9. Program Increases	
a. Rebaselining of civilian pay. Also, a portion of this includes employee development to ensure a JV2010 workforce through increased information assurance and other computer based training.	3,452
b. Increased funding levels to meet agency requirements in support of the DOD effort to consolidate civilian personnel operations	2,018
c. Development phase of C4I standards has been completed; funding moved from development to current sustainment	3,534
d. Consolidation of costs of Data Standardization programs and Information Processing Standards program in this business line	4,186
e. Internal realignment of DISA operation funds to provide increased CINC/JTF support	1,618

*Technically this is not a program change. This increase reflects the realignment of personnel to the proper programs/program elements within DISA.

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: CINC Support and Operations

C. Reconciliation of Increases and Decreases (Continued):

10. Total Program Increases	14,808
11. FY 2000 Request	72,467

IV. Performance Criteria and Evaluation Summary:

Performance Criteria for this business line are included in the Agency's Performance Criteria Summary.

DEFENSE INFORMATION SYSTEMS AGENCY
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates
 Activity Group: CINC Support and Operations

V. Personnel Summary:

	(Actual)			Change	Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength	226	261	261	35	0
Total					
Officer	76	97	97	21	0
Enlisted	150	164	164	14	0
Civilian End Strength	353	347	361	-6	14
Total					
USDH	350	344	358	-6	14
FNDH	0	0	0	0	0
FNIH	3	3	3	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	226	261	261	35	0
Officer	76	97	97	21	0
Enlisted	150	164	164	14	0
Civilian Workyears Total	178	341	353	163	12
USDH	175	338	350	163	12
FNDH	0	0	0	0	0
FNIH	3	3	3	0	0
Reimbursable	0	0	0	0	0

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Operation and Maintenance, Defense-Wide
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Activity Group: CINC Support and Operations

VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands):</u>	FY 1998 Actual	Change Price Growth	FY 1998/FY1999 Program Growth	FY 1999 Estimate	Change Price Growth	FY 1999/FY2000 Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	17,365	728	11,240	29,333	1,219	2,012	32,564
Wage Board	122	6	(32)	96	4	0	100
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	1,142	13	564	1,719	25	38	1,782
Other Travel Costs	419	2	618	1,039	16	56	1,111
Leased Vehicles	10	1	5	16	2	(2)	16
Communications Services(DWCF)	899	(5)	(666)	228	37	(33)	232
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	39	0	(34)	5	0	1	6
Rental Payments to GSA (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (non-DWCF)	313	3	35	351	5	(2)	354
Purchased Communications (non-DWCF)	192	1	(53)	140	2	(1)	141
Rents (non-GSA)	28	0	2	30	0	(20)	10
Postal Services (USPS)	17	0	0	17	0	0	17
Supplies & Materials (non-DWCF)	477	4	(83)	398	5	191	594
Printing & Reproduction	48	2	3	53	2	(1)	54
Equipment Maintenance by Contract	172	1	41	214	2	(39)	177
Facility Maintenance by Contract	496	6	(184)	318	4	190	512
Equipment Purchases (non-DWCF)	2,029	23	(1,382)	670	10	160	840
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	255	255	4	(4)	255
Studies, Analyses and Evaluations	1,063	12	(1,075)	0	0	0	0
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	12,098	134	4,184	16,416	247	10,817	27,480
Other Costs	139	1	1,740	1,880	28	1,216	3,124
Training Costs	198	2	2,627	2,827	42	229	3,098
Total Activity Group	37,266	934	17,805	56,005	1,654	14,808	72,467

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Activity Group: Joint Test, Spectrum Management & Engineering

I. Description of Operations Financed:

The Joint Test, Spectrum Management and Engineering activity group is comprised of three subactivities: Defense Information Infrastructure (DII) Common Engineering; Joint Spectrum Center; and the Office of Spectrum Analysis and Management.

II. Force Structure Summary:

Defense Information Infrastructure (DII) Common Engineering: The DII Common Engineering subactivity includes civilian salaries, operating expenses and contract efforts supporting C3 interoperability tasks, improvements to the Common Operating Environment (COE), identification, prototyping, migration, and user acceptance of advanced technologies, and the integration of software components comprising the Global Command and Control System (GCCS) and the Defense Information Infrastructure Common Operating Environment (DII COE). This includes the Command, Control, Communications, Computers and Intelligence (C4I) Modeling, Simulation and Assessment (MS&A) which support the development and application of analytical models and constructive simulation techniques for warfighter C4I decision making assessment, war planning, and enhancing the cost effectiveness of C4I programs and systems to prepare DOD to respond to the rapid evolution of the global military environment.

The DII Common Operating Environment (COE) provides the ubiquitous foundation for all DII system architectures to enable operational realization of the Command, Control, Communications, Computers and Intelligence for the Warrior (C4IFTW) concept. Joint Vision 2010 (JV2010) presents four operational concepts to achieve Full Spectrum Dominance: dominant maneuver, precision engagement, full-protection, and focused logistics. These operational concepts are dependent on the ability to collect, process, disseminate, and interpret information to achieve information superiority on the battlefield. The DII COE is key to information superiority through provision of: a Common Operational Picture (COP) for joint and coalition warfare; a method for accelerating dynamic change through application and data reuse; a componentware-based architectural framework supporting secure interoperability, technology insertion, and legacy maintenance; a forum for warfighter agreement on component acquisition and integration; a method for building systems capable of providing focused logistics; and a managed process for continuous integration of advanced technology.

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Activity Group: Joint Test, Spectrum Management & Engineering

II. Force Structure Summary (Continued):

The DII COE provides a framework for systems development (similar to Microsoft's Windows 95) encompassing systems architecture standards, software reuse, sharable data, secure interoperability, and automated integration. The DII COE provides new and improved operational capabilities through continuous opportunistic exploitation and integration of commercial-off-the-shelf (COTS) and non-developmental item (NDI) government-off-the-shelf (GOTS) capabilities. The DII COE provides automated system building blocks for system engineers and integrators of interoperable components. In addition to software building blocks, the COE prescribes an integration methodology critical to achieving "plug and play" capabilities. The existing DII COE functional, physical and operational characteristics are consistently upgraded in phased releases. Continued improvements, in accordance with Service and Agency approved requirements and formal build plans, allow mission software application developers to target their effort confidently to a specific DII COE release.

A panel consisting of members from the Defense Services and Agencies select and prioritize COTS and GOTS investments based on mission need, risks, benefits and cost. This approach has proven successful in getting acceptance of this standard. The DISA C4I Modeling, Simulation, and Assessment activities support the development and application assessment, war planning, and enhancing the cost effectiveness of C4I programs and systems to prepare DOD to respond to the rapid evolution of the global military environment. Furthermore, this work is essential to achieve the DISA goal of quality information services at an affordable cost through a deliberate decision management process.

DII Common Engineering also provides for the purchase of Enterprise Licenses for DII COE COTS products, and technical direction and coordination Engineering and Interoperability efforts of the Chief Engineer.

DISA program manager support provides modeling and analysis support for key DISA programs and initiatives (DMS, GCSS, DISN, EC) and modeling and simulation assessment of the DII ability to support JCS, CINCs, services, and other federal agencies current and emerging C4ISR mission-driven information requirements by: (a) providing aid in measuring the preparedness

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Activity Group: Joint Test, Spectrum Management & Engineering

II. Force Structure Summary (Continued):

of C4 systems to support the unified combatant commands in carrying out their assigned missions; (b) determining the adequacy of support to warfighting capabilities provided by current and planned C4 systems; (c) validating C4 objectives and identifying deficiencies through operational evaluations and analytical assessments; (d) identifying deficiencies and opportunities for C4 technology insertion; (e) supporting the monitoring of the implementation of C4 systems and architectures; and (f) supporting the development of C4 modernization planning documents that identify key requirements, capabilities, deficiencies, and priorities.

Modeling and Simulation Tools support DOD decision makers from the OSD level to the warfighter with a suite of tools capable of identifying key decision points required to carry out their mission in the most effective way. This effort provides the DOD community with a mechanism: to evaluate communications and related systems effects on military campaign outcomes; to provide quantitative analysis to measure against mission success; to assess integration and interoperability capabilities for the transition from the current stove-piped systems into the fully integrated DII; and to provide technical and cost tradeoffs modeling for other new technologies.

Joint Spectrum Center (JSC): The Joint Spectrum Center (JSC) subactivity includes civilian salaries, operating expenses, and contract efforts to ensure effective use of the electromagnetic (EM) spectrum in support of national security and military objectives. The JSC ensures that the systems and equipment employed by the warfighter in combat will function as planned, without suffering or causing unacceptable performance degradation due to EM incompatibility.

As a result of a Deputy Secretary of Defense decision in December 1997, JSC was realigned from Air Force to DISA, and on 22 December 1997 JSC began reporting operationally to DISA. The FY 1998 funding was provided under the Air Force; beginning in FY 1999 funding is provided by DISA and includes the Electromagnetic Environmental Effects (E³) funding transferred from the Navy.

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Operation and Maintenance, Defense-Wide
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Activity Group: Joint Test, Spectrum Management & Engineering

II. Force Structure Summary (Continued):

The fundamental mission of the JSC is to ensure the DOD's effective use of the electromagnetic (EM) spectrum in support of national security and military objectives. The JSC assists the Services and Unified Commands to ensure that the systems and equipment employed by the warfighter in combat will function as planned, without suffering or causing unacceptable performance degradation due to EM incompatibility. To accomplish this mission, the JSC maintains extensive EM environmental and equipment characteristics databases, develops and maintains sophisticated analytical tools, performs E³ analyses involving DOD spectrum-dependent systems, provides E³ support to the spectrum management and acquisition communities, and provides direct spectrum management support to operational units.

The JSC provides technical support to the Office of Spectrum Analysis and Management as the DOD focal point for EM spectrum management matters in support of the Unified Commands, Joint Staff, Assistant Secretary of Defense for Command, Control, Communications and Intelligence (ASD(C3I)), Military Departments and Defense Agencies in planning acquisition, training and operations.

Office of Spectrum Analysis and Management (OSAM): The Office of Spectrum Analysis and Management (OSAM) subactivity includes civilian salaries, operating expenses and contract effort as the DOD technical focal point for spectrum management issues. The primary mission of OSAM is to coordinate analytical support, ensure consistent enforcement of spectrum management policy and procedures, and to position the DOD to ensure spectrum access into the 21st century.

OSAM serves as the focal point for spectrum management issues DoD-wide. It is collocated with the Army Spectrum Management Office, the Army Communications-Electronics Services Office, the Naval Electromagnetic Spectrum Center, and the Air Force Frequency Management Agency. The OSAM is a part of the DISA's Operations Directorate and receives technical support from DISA's Joint Spectrum Center.

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Operation and Maintenance, Defense-Wide
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II. Force Structure Summary (Continued):

The OSAM is charged with the execution of eleven specific tasks: (1) implement OBRA93/BBA97; (2) enforce the frequency acquisition process; (3) create a common costing and analysis approach to reallocations; (4) impact Public Safety Wireless Advisory Committee; (5) define warfighter requirements for space systems and terrestrial systems to 2010; (6) pursue doctrinal and technical process improvements; (7) update the DOD Spectrum Policy and Strategic Plan; (8) prepare for the Worldwide Radio Conference; (9) influence future legislation; (10) prepare a Defense Spectrum Oversight Board charter; and (11) survey the market and gather and disseminate information for trend forecasting and early identification of opportunities or obstacles.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
1. DII Common Engr	38,542	72,276	68,809	68,809	52,335
2. Joint Spectrum Center	0	14,003	14,003	14,003	14,151
3. Office of Spectrum Analysis & Mgmt(OSAM)	0	0	0	0	7,300
Total	38,542	86,279	86,279	82,812	73,786

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B.	<u>Reconciliation Summary:</u>	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>	
	Baseline Funding	86,279	82,812	
	Congressional Adjustments	(3,467)		
	Supplemental Request			
	Price Change		2,113	
	Functional Transfer			
	Program Changes		(11,139)	
	Current Estimate	82,812	73,786	
C.	<u>Reconciliation of Increases and Decreases:</u>			
	1. FY 1999 President's Budget Request			86,279
	2. Congressional Adjustment (Distributed):			
	Lower Priority Programs		(940)	
	Congressional Adjustment (Undistributed):			
	ADP System Legacy Systems Efficiencies		(1,629)	
	Section 8034 - FFRDC		(482)	
	Section 8105 - DRI Savings		(90)	
	Section 8108 - Revised Economic Assumptions		(249)	
	Congressional Earmarks		(77)	
	Total Congressional Adjustments			(3,467)
	3. Revised FY1999 Estimate			82,812
	4. Price Growth			2,113

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C. <u>Reconciliation of Increases and Decreases (Continued):</u>		
5. Program Increases		
Establishment of Office of Spectrum Analysis and Management	7,300	
6. Total Program Increase		7,300
7. Program Decreases:		
a. Software purchases associated with DII COE v4.0	(880)	
b. Rebaselining of civilian pay from DII Common Engineering to Information Superiority C2: DISN.	(8,064)	
c. Rebaselining of civilian pay from DII Common Engineering to DOD Information Services, IT Services.	(5,119)	
d. Rebaselining of civilian pay from DII Common Engineering to CINC Support and Operations, C4IFTW.	(3,910)	
e. Decrease in the DII Common Engineering, Common Operating Environment project resulting from a reduced FFRDC requirement due to the successful establishment of architectural definitions, near and mid-term implementations, and completing the groundwork for future commercial advanced technology insertion.	(328)	
f. Decrease in Joint Spectrum Management as a result of anticipated efficiencies in Spectrum Management Information Systems	(138)	

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C. Reconciliation of Increases and Decreases (Continued):

8. Total Program Decreases	(18,439)
9. FY 2000 Budget Request	73,786

IV. Performance Criteria and Evaluation:

Performance criteria for this business line are included in the Agency's Performance Criteria Summary.

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V. Personnel Summary:

	(Actual)			Change	Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY</u> <u>1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength	47	50	50	3	0
Total					
Officer	31	35	35	4	0
Enlisted	16	15	15	-1	0
Civilian End Strength	166	206	206	40	0
Total					
USDH	166	206	206	40	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
 Military Workyears Total	 47	 50	 50	 3	 0
Officer	31	35	35	4	0
Enlisted	16	15	15	-1	0
 Civilian Workyears Total	 349	 202	 201	 -147	 -1
USDH	349	202	201	-147	-1
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

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VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	FY 1998	Change	FY 1998/FY1999		Change	FY 1999/FY2000	
	Actual	Price Growth	Program Growth	FY 1999 Estimate	Price Growth	Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	24,436	1,026	9,362	34,824	1,393	(19,095)	17,122
Wage Board	0	0	0	0	0	0	0
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	956	11	493	1,460	22	26	1,508
Other Travel Costs	732	8	77	817	12	18	847
Leased Vehicles	41	0	22	63	1	0	64
Communications Services(DWCF)	301	(2)	(299)	0	0	30	30
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	110	1	1	112	1	1	114
Rental Payments to GSA (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (non-DWCF)	547	6	1	554	8	0	562
Purchased Communications (non-DWCF)	216	2	168	386	6	104	496
Rents (non-GSA)	0	0	3,510	3,510	53	989	4,552
Postal Services (USPS)	0	0	23	23	0	0	23
Supplies & Materials (non-DWCF)	871	10	61	942	14	49	1,005
Printing & Reproduction	4	0	6	10	0	0	10
Equipment Maintenance by Contract	243	3	64	310	5	0	315
Facility Maintenance by Contract	39	0	1	40	1	0	41
Equipment Purchases (non-DWCF)	1,669	18	43	1,730	26	89	1,845
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	2,999	33	4	3,036	46	(1,364)	1,718
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	3,889	43	27,798	31,730	476	9,782	41,988
Other Costs	1,100	12	1,764	2,876	43	(1,759)	1,160
Training Costs	389	4	(4)	389	6	(9)	386
Total Activity Group	38,542	1,175	43,095	82,812	2,113	(11,139)	73,786

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000-2001 Biennial Budget Estimates
Activity Group: Combat Support/Electronic Commerce

I. Description of Operations Financed:

The Combat Support/Electronic Commerce activity group consists of three subactivities: the Global Combat Support System, (GCSS), DISA Continuity of Operations (COOP) and Test Facility (DCTF), and Electronic Commerce.

II. Force Structure Summary:

The Global Combat Support System (GCSS) is the final piece of the Command, Control, Communications, Computers and Intelligence (C4I) for the Warrior (C4IFTW) concept and, together with the Global Command and Control System (GCCS), provides the Commander of the Joint Task Force (JTF) and other warfighters with the information for a "full" picture for all military operations. GCSS provides an unprecedented and revolutionary capability to view fused, joint mission critical Combat Support (CS) data from a single computer terminal. By adding the combat support information on medical, personnel, logistics, transportation, finance and acquisition activities and assets, the warfighter will be able to "see" and manage all aspects of planning, deployment, employment, sustainment and redeployment. GCSS uses exactly the same technical components, development and integration approach used so successfully in GCCS. This ensures full interoperability and no duplication of effort. Unfortunately, the status quo of CS information systems is stove piped and not interoperable. Also, there are many more combat support information systems and the challenge of accessing and integrating this information is large. Complementary efforts on GCSS applications are being undertaken by the Military Departments - these are not duplicative and they depend on the DISA's building blocks to achieve their goals. GCSS provides the communications, computing and data infrastructure that integrates timely and accurate CS information from the JTF components into a common presentation. One of the key elements in GCSS technical development is the use of new WEB technologies to accelerate fielding of capabilities and integration of information systems. The achievement of Joint Vision 2010 and Information Superiority is encapsulated in the Common Operational Picture (COP). Today this COP now supports the combat support information from GCSS as well as the GCCS command and control information. Major demonstrations of this capability to the Chairman, Joint Chiefs of Staff, and regional CINCS have covered the actual redeployment of the 2nd Armored Cavalry Regiment out of Bosnia and major exercises in Europe and the Far East (Korea and the Pacific). The primary focus of the budget request is to expand operational fielding of GCSS, provide new

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Activity Group: Combat Support/Electronic Commerce

II. Force Structure Summary (cont'd):

information access and integration capabilities, and provide security features. After completing capabilities for the JTF and warfighters, GCSS will expand capabilities back to the sustaining base.

The DISA Continuity of Operations (COOP) and Test Facility (DCTF) subactivity includes civilian salaries, operating expenses and contract efforts in support of technical solutions for combat support systems disaster recovery services. The DCTF mission was established and defined as an appropriated activity by Congress in connection with the Fiscal Year 1995 Defense Appropriations Act. The COOP capability is designed to provide a hot "cutover" capability in the event in the event of a physical attack or disaster or any other type of major degradation of a megacenter. It also provides testing capabilities to the Global Combat Support System. The DOD has sized and based the features of its COOP capability considering the probable impact of an Oklahoma City type terrorist attack and the critically of information support to warfighters engaged in a conflict. These are warfighter, not business as usual, requirements, and as such, are funded through the DOD appropriated budget and not the Defense Working Capital Fund (DWCF). In addition, the DCTF serves as a test and integration facility for pre-production of Global Combat Support System/Global Command and Control System (GCSS/GCCS) applications, Defense Information Infrastructure Common Operating Environment (DII COE) components, and the GCSS prototype environment. The DCTF distributes and maintains GCSS segments for use by the DOD community as well as distributing the DII COE to DOD developers.

The Defense Reform Initiative Directive (DRID) directed the establishment of the Joint Electronic Commerce Program Office (JECPO). The JECPO is responsible for the implementation of Electronic Business/Electronic Commerce (EB/EC) across the entire spectrum of command and control and functional business areas within the DOD, in order to achieve a truly seamless Departmental environment. This new environment will allow DOD to electronically exchange, process, and transmit business information in standardized format using business processes, automated business systems, and technical communication infrastructure. The objectives of the JECPO are to enhance the infrastructure and provide state-of-the-art technology as

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II. Force Structure Summary (cont'd):

necessary to expand and support EB/EC and related technologies. The DoD EB/EC Program will achieve modern EB/EC business practices throughout the Department and improve the DOD acquisition processes. To date the JECPO has fielded new EB/EC access and node versions; expanded the Central Contractor Registration (CCR) to over 100,000 registrants in support of Electronic Funds Transfer; and established an on line system that can search, locate, compare and order material based on quality, price and availability (DOD E-Mall).

III. Financial Summary (O&M: \$ in thousands):

		<u>FY 1999</u>			
		<u>FY 1998</u>	<u>Budget</u>	<u>Current</u>	<u>FY 2000</u>
A. <u>Subactivity Group</u>	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
1. Global Combat Support	41,499	46,201	25,825	25,825	31,714
2. DCTF	15,522	17,796	16,770	16,770	18,085
3. Electronic Commerce	<u>0</u>	<u>34,581</u>	<u>43,426</u>	<u>43,426</u>	<u>42,928</u>
Total	57,021	98,578	86,021	86,021	92,727
B. <u>Reconciliation Summary:</u>		<u>Change</u>		<u>Change</u>	
		<u>FY 1999/FY 1999</u>		<u>FY 1999/FY 2000</u>	
Baseline Funding		98,578		86,021	
Congressional Adjustments		(12,557)			
Supplemental Request					
Price Change				1,817	
Functional Transfer					
Program Changes				4,889	
Current Estimate		86,021		92,727	

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C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	98,578
2. Congressional Adjustment (Distributed):	
Global Combat Support System (GCSS)	(10,900)
Lower Priority Programs	(530)
Congressional Adjustment (Undistributed):	
ADP System Legacy Systems Efficiencies	(897)
Section 8105 - DRI Saving	(50)
Section 8108 - Revised Economic Assumptions	(138)
Congressional Earmarks	(42)
Total Congressional Adjustments	(12,557)
3. Revised FY 1999 Estimate	86,021
4. Price Growth	1,817
5. Functional Transfers	
9. Program Increases	
a. Additional funding will be used to increase the number of GCSS sites fielded during FY 2000. Funding will also provide enhanced functionality and capability for the CSE-COP, GCSS Portal and GCSS Data Mediator to the tactical environment for the warfighter.	7,206
b. To accelerate identification of appropriate technology for enhancing DOD's Electronic Commerce infrastructure, central contractor registration operations, electronic buying and selling capabilities, and electronic document access to support paperless contracting as directed by the Defense Reform Initiative.	4,612

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C. Reconciliation of Increases and Decreases (cont'd):

c. Purchase of lab equipment for integration, testing, certification and registration of preproduction applications and components for GCSS and the DII-Common Operation Environment.	880
d. Additional contractual compliance and interoperability testing certification efforts for DCTF.	115
e. SIPRNET telecommunications line installed to handle classified transmissions for testing and disaster recovery work at the DCTF.	76
10. Total Program Increases	12,889
11. Program Decreases	
Alignment of civilian pay for correlation with mission requirements	(8,000)
12. Total Program Decreases	(8,000)
13. FY 2000 Budget Request	92,727

IV. Performance Criteria and Evaluation:

Performance Criteria for this business line are included in the Agency's Performance Criteria Summary.

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Activity Group: Combat Support/Electronic Commerce

V. Personnel Summary:

	(Actual) <u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change <u>FY 1998/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Military End Strength Total	20	30	30	10	0
Officer	20	29	29	9	0
Enlisted	0	1	1	1	0
Civilian End Strength Total	209	214	214	5	0
USDH	209	214	214	5	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	20	30	30	10	0
Officer	20	29	29	9	0
Enlisted	0	1	1	1	0
Civilian Workyears Total	83	209	209	126	0
USDH	83	209	209	126	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000-2001 Biennial Budget Estimates
Activity Group: Combat Support/Electronic Commerce

VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	FY 1998 Actual	Change Price Growth	FY 1998/FY1999 Program Growth	FY 1999 Estimate	Change Price Growth	FY 1999/FY2000 Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	7,015	295	12,265	19,575	783	(9,022)	11,336
Wage Board	24	1	(6)	19	1	0	20
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	272	3	(44)	231	3	(4)	230
Other Travel Costs	161	2	(31)	132	2	(2)	132
Leased Vehicles	11	0	0	11	0	0	11
Communications Services(DWCF)	0	0	248	248	40	39	327
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	5	0	(2)	3	0	0	3
Rental Payments to GSA (SLUC)	0	0	164	164	2	(2)	164
Purchased Utilities (non-DWCF)	368	4	2	374	6	(1)	379
Purchased Communications (non-DWCF)	544	6	(138)	412	6	(1)	417
Rents (non-GSA)	0	0	1	1	0	0	1
Postal Services (USPS)	1	0	0	1	0	0	1
Supplies & Materials (non-DWCF)	158	2	(93)	67	1	1	69
Printing & Reproduction	12	0	(10)	2	0	0	2
Equipment Maintenance by Contract	3,885	43	(325)	3,603	54	(10)	3,647
Facility Maintenance by Contract	674	7	55	736	11	(5)	742
Equipment Purchases (non-DWCF)	7,476	82	(5,782)	1,776	27	676	2,479
Contract Consultants	3,450	38	(988)	2,500	38	212	2,750
Management and Professional Support Services	53	1	0	54	1	(1)	54
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	31,297	344	23,291	54,932	824	13,015	68,771
Other Costs	1,288	14	(435)	867	13	(5)	875
Training Costs	327	4	(18)	313	5	(1)	317
Total Activity Group	57,021	846	28,154	86,021	1,817	4,889	92,727

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: DOD Information Services

I. Description of Operations Financed:

The DOD Information Technology (IT) Services subactivity includes civilian salaries, operating expenses, and contract efforts for the Defense Information Infrastructure (DII) Core Asset Management Engineering and Core Data Engineering activities (IT Services) as well as the DISA Information Systems Center (DISC).

II. Force Structure Summary:

The core IT Services include but are not limited to, technical engineering for information technology standards, information technology interoperability testing, data standardization, common operating and data environments, DII hardware engineering, and DII software enterprise licensing. The DISA provides these services to the Assistant Secretary of Defense (Command, Control, Communications & Intelligence (ASD[C3I])) who has been given responsibility for implementing information technology principles throughout the DOD. This subactivity also supports the DII Core Asset Management program, which provides the mechanism for the management and control of software and data assets supporting DII compliant DOD mission applications.

Additionally, funding in this subactivity supports engineering tasks for those products and services necessary to implement the data dimension of the Common Operating Environment (COE). The engineering tasks produce data products that establish data interoperability with the DOD, its allies and coalition partners, and other government departments and agencies. This project is an integral part of the Tactical Command Control Communications and Computer Intelligence (TC4I) initiative whose objective is to provide the warfighter with access to secure and consistent tactical, strategic, and resource information.

The DISC is responsible for operating and maintaining the DISA base-level Information Systems (DISA-IS). These include automated information networks, message centers, voice (telephone) systems, visual information systems, and other DISA information support centers. The DISA Director considers the DISA-IS to be his internal command and control system. Funds provide Network support for office automation and mission functions in both the classified and unclassified environments for over 10,000 DISA employees and contractors in 42 locations worldwide (30 CONUS, including 17 in the national capital region, and 12 OCONUS). This entails all aspects of planning, selection, systems integration, installation, operation, and

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: DOD Information Services

II. Force Structure Summary (cont'd):

maintenance of the local area networks in support of DISA internal and external customers including the Office of the Secretary of Defense and the Joint Staff.

III. Financial Summary (O&M: \$ in Thousands):

		FY 1999				
A. <u>Subactivity Group</u>	FY 1998	Budget			FY 2000	
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>	
1. IT Services	66,719	20,642	19,282	19,282	24,106	
2. DISA Information						
Systems Center	<u>25,667</u>	<u>22,794</u>	<u>21,542</u>	<u>21,542</u>	<u>24,487</u>	
Total	92,386	43,436	40,824	40,824	48,593	
B. <u>Reconciliation Summary:</u>		Change				
		<u>FY 1999/FY 1999</u>			<u>FY 1999/FY 2000</u>	
Baseline Funding		43,436			40,824	
Congressional Adjustments		(2,612)				
Supplemental Request						
Price Change					1,031	
Functional Transfer						
Program Changes					6,738	
Current Estimate		40,824			48,593	

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
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Activity Group: DOD Information Services

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	43,436
2. Congressional Adjustments (Distributed)	
Lower Priority Programs	(823)
Congressional Adjustments (Undistributed)	
ADP System Legacy Systems Efficiencies	(1,427)
Section 8105 - DRI Savings	(78)
Section 8108 - Revised Economic Assumptions	(218)
Congressional Earmarks	(66)
Total Congressional Adjustments	(2,612)
3. Revised FY 1999 Current Estimate	40,824
4. Price Growth	1,031
5. Program Increases:	
a. Rebaselining of civilian pay from DII Common Engineering To DOD Information Services, IT Services	5,119
b. Increased equipment maintenance, network systems support for DMS implementation growth and infrastructure enhancements for secure information systems and services for DISA personnel worldwide	1,665
c. Increase in DISA communications services costs	900
6. Total Program Increases	7,684

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Activity Group: DOD Information Services

C. Reconciliation of Increases and Decreases (Continued):

7. Program Decreases:

Slow the improvement pace of implementing "push" and "pull"
technology in support of distributing DII Information Assets (946)

8. Total Program Decreases (946)

9. FY 2000 Budget Request 48,593

IV. Performance Criteria and Evaluation Summary:

Performance Criteria for this business line are included in the Agency's Performance Criteria Summary.

DEFENSE INFORMATION SYSTEMS AGENCY
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates
 Activity Group: DOD Information Services

V. Personnel Summary:

	(Actual) <u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change <u>FY 1998/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Military End Strength Total	42	32	30	-10	-2
Officer	7	10	10	3	0
Enlisted	35	22	20	-13	-2
Civilian End Strength Total	237	244	248	7	4
USDH	237	244	248	7	4
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	42	32	30	-10	-2
Officer	7	10	10	3	0
Enlisted	35	22	20	-13	-2
Civilian Workyears Total	447	236	241	-211	5
USDH	447	236	241	-211	5
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
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Activity Group: DOD Information Services

VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	FY 1998 Actual	Change Price Growth	FY 1998/FY1999 Program Growth	FY 1999 Estimate	Change Price Growth	FY 1999/FY2000 Program Growth	FY 2000 Estimate
Executive, General and Special Schedules	25,206	1,059	(18,676)	7,589	304	9,798	17,691
Wage Board	0	0	0	0	0	0	0
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	401	4	(27)	378	6	0	384
Other Travel Costs	551	6	(11)	546	8	(9)	545
Leased Vehicles	0	0	0	0	0	0	0
Communications Services(DWCF)	1,594	(10)	(34)	1,550	251	699	2,500
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	11	0	0	11	0	1	12
Rental Payments to GSA (SLUC)	0	0	3,538	3,538	53	(1,785)	1,806
Purchased Utilities (non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (non-DWCF)	2,050	23	271	2,344	35	(337)	2,042
Rents (non-GSA)	0	0	0	0	0	0	0
Postal Services (USPS)	0	0	0	0	0	0	0
Supplies & Materials (non-DWCF)	931	10	37	978	15	22	1,015
Printing & Reproduction	0	0	0	0	0	0	0
Equipment Maintenance by Contract	1,610	18	(103)	1,525	23	(136)	1,412
Facility Maintenance by Contract	0	0	0	0	0	0	0
Equipment Purchases (non-DWCF)	11,922	131	(10,013)	2,040	31	1,375	3,446
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	0	0	0	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	43,848	482	(26,642)	17,688	265	(1,883)	16,070
Other Costs	3,748	41	(1,731)	2,058	31	(1,006)	1,083
Training Costs	514	6	59	579	9	(1)	587
Total Activity Group	92,386	1,770	(53,332)	40,824	1,031	6,738	48,593

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimate
Activity Group: Agency Management

I. Description of Operations Financed:

Headquarters Management is responsible for providing agency-wide policy and guidance for the Defense Information Systems Agency (DISA) and for overseeing, directing and controlling agency activities. In this capacity, Headquarters Management staff provide management and financial policy, technical guidance and administrative support for the daily operations supporting the mission of DISA. Additionally, Management Headquarters accounts for agency-wide congressionally mandated functions such as Equal Employment Opportunity Office and the Inspector General.

II. Force Structure Summary:

In FY 1999, \$1.451 million of a \$1.8 million Congressional reduction to Headquarters Management was taken in this business line. The balance (\$.349 million) was taken in the CINC Support and Operations business line because, in the FY 1999 President's Budget, a portion of Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW) was included in the Mission Support component of the Headquarters Management program.

In FY 2000 the funds for Operation and Maintenance are to provide for the civilian salaries and the operating costs of Headquarters Management services such as financial, manpower resource management, equal employment opportunity support, inspector general services, cost analysis, and legal guidance. The funds will also provide for direct administration support such as general office supplies, equipment, and reproduction and printing/visual information services as they relate to the Director, DISA. Contract funds will support the following: (1) accounts payable support which includes receiving, processing, and filing vendor and intra-government invoices/bills; and (2) computer access to the DOD Legal Mini-Network for Legal Services. In FY 2000, fully two-thirds of non-pay funds are for accounting services (both for the Defense Finance and Accounting Services (DFAS) and for contractual accounting support) and mandated payment of agency disability compensation costs to the Department of Labor.

DEFENSE INFORMATION SYSTEMS AGENCY
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimate
 Activity Group: Agency Management

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998 <u>Actuals</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	
Agency Management	33,654	25,334	20,909	20,909	25,152

B. <u>Reconciliation Summary:</u>	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	25,334	20,909
Congressional Adjustments	(1,451)	0
Supplemental Request	0	0
Price Change	0	682
Functional Transfer	0	0
Program Changes	(2,974)*	3,561
Current Estimate	20,909	25,152

*Technically this is not a program change. This decrease reflects the realignment of personnel to the proper programs/program elements within DISA.

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimate
Activity Group: Agency Management

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	25,334
2. Congressional Adjustments (Distributed):	
Management Headquarters	(1,451)
Congressional Adjustment (Undistributed):	
ADP System Legacy Systems Efficiencies	0
Section 8034 - FFRDC	0
Section 8105 - DRI Savings	0
Section 8108 - Revised Economic Assumptions	0
Congressional Earmarks	0
Total Congressional Adjustments	(1,451)
3. Program Change	(2,974)*
*Technically this is not a program change. This decrease reflects the realignment of personnel to the proper programs/program element within DISA	
4. Revised FY 1999 Estimate	20,909
5. Price Growth	682

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimate
Activity Group: Agency Management

C. Reconciliation of Increases and Decreases (Continued):

6. Program Increases

a. Increased funding levels are primarily the result of a change in the methodology used by Defense Finance and Accounting Service (DFAS) for calculating accounting charges from a standard trial balance fee to billable hours. DFAS provides finance and accounting support to DISA and additional funds are required if DISA is to meet anticipated charges for DFAS services in FY 2000. 3,316

b. Replenishment of office personnel computers and office automation systems are required to ensure the equipment used by the Headquarters workforce is up-to-date technologically. Additionally, there are other minor changes in operating expenses as new functions such as the Joint Task Force-Computer Defense Network are realigned to the Agency and oversight costs increase accordingly. 285

9. Total Program Increases 3,601

10. Program Decreases:

Final negotiation of the DISA contract for accounting support resulted in a minor decrease. The Funds Availability and Invoice Certification functions are placed at the Headquarters rather than with DFAS. (40)

11. Total Program Decreases (40)

12. FY 2000 Budget Request 25,152

IV. Performance Criteria and Evaluation Summary:

Performance criteria for this business line are included in the Agency's Performance Criteria Summary.

DEFENSE INFORMATION SYSTEMS AGENCY
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimate
 Activity Group: Agency Management

V. Personnel Summary:

	(Actual)			Change	Change
	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 1998/FY 1999</u>	<u>FY 1999/FY 2000</u>
Military End Strength Total	47	61	61	14	0
Officer	19	28	28	9	0
Enlisted	28	33	33	5	0
Civilian End Strength Total	219	225	225	6	0
USDH	219	225	225	6	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0
Military Workyears Total	47	61	61	14	0
Officer	19	28	28	9	0
Enlisted	28	33	33	5	0
Civilian Workyears Total	240	220	220	-20	0
USDH	240	220	220	-20	0
FNDH	0	0	0	0	0
FNIH	0	0	0	0	0
Reimbursable	0	0	0	0	0

DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimate
Activity Group: Agency Management

VI. <u>PRICE AND PROGRAM CHANGES (\$ in Thousands)</u>	FY 1998	Change	FY 1998/FY1999	FY 1999	Change	FY 1999/FY2000	FY 2000
	<u>Actual</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
		<u>Growth</u>	<u>Growth</u>		<u>Growth</u>	<u>Growth</u>	
Executive, General and Special Schedules	19,211	807	(4,830)	15,188	608	(168)	15,628
Wage Board	59	2	(15)	46	2	0	48
Benefits to Former Employees	0	0	0	0	0	0	0
Disability Compensation	979	0	(273)	706	0	0	706
Voluntary Separation Incentive Payments	730	0	(730)	0	0	0	0
Per Diem	594	7	(392)	209	3	(3)	209
Other Travel Costs	424	5	(92)	337	5	(5)	337
Leased Vehicles	53	1	(24)	30	0	0	30
Communications Services(DWCF)	17	0	(17)	0	0	0	0
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	1,470	54	87	1,611	24	3,312	4,947
Commercial Transportation	5	0	(4)	1	0	0	1
Rental Payments to GSA (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (non-DWCF)	0	0	0	0	0	0	0
Rents (non-GSA)	24	0	11	35	1	0	36
Postal Services (USPS)	77	0	125	202	0	2	204
Supplies & Materials (non-DWCF)	433	5	(202)	236	4	0	240
Printing & Reproduction	407	4	(139)	272	4	13	289
Equipment Maintenance by Contract	131	1	41	173	3	48	224
Facility Maintenance by Contract	0	0	0	0	0	0	0
Equipment Purchases (non-DWCF)	1,044	11	(773)	282	4	326	612
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	6	0	(6)	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	176	2	445	623	9	(43)	589
Other Costs	5,916	65	(5,211)	770	12	58	840
Training Costs	1,898	21	(1,731)	188	3	21	212
Total Activity Group	33,654	985	(13,730)	20,909	682	3,561	25,152

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 2

Activity Group: Warstoppers

I. Description of Operations Financed:

Funding for Warstoppers recognizes that certain supply items must be procured and critical industrial capability must be preserved to support the Department's readiness and sustainment requirements. This concept applies to items such as chemical protective suits and gloves, nerve agent antidote auto-injectors, meals-ready-to eat, and tray pack assemblies. In each instance, peacetime demand is inadequate to sustain an industrial base sufficient for readiness and mobilization. In prior years, these items or capabilities were funded through customer demand, war reserve appropriation or customer surcharges on basic items of supply. However, now the "Warstoppers" qualify for funding, not as the result of reasonable business decisions, but as a matter of national security, and, therefore, do not fall within the purview of the Defense Working Capital Fund (DWCF).

The Warstoppers program is mandated by law and is the single Agency program to preserve essential production capability, and to provide the means to invest in improving industry responsiveness. This also includes the funding of Industrial Preparedness Measures (IPM's) to allow for the "surge" of battle critical material to increase supply availability of spares and troop support items as directed in Defense planning documents. Industrial Base Maintenance Contracts currently preserve critical production capabilities for nerve agent antidote and chemical protective gloves with minimal annual investment. Industrial readiness or preparedness investments enable DLA to provide surge capability for critical weapon systems and troop support items as a more cost-effective alternative to War Reserve Materiel (WRM).

Within the Medical Readiness line, rotational stock contracts enable DLA to purchase critical drug and pharmaceutical war reserve items with short shelf life and have them stored and rotated with commercial stock by the contractor and thereby eliminate the need for continual replacement of Service WRM inventories. The rotational stocks serve as a bridge stock until industry can expand initial production to meet the wartime surge requirements. NBC Defense dollars have been used to increase the surge capability of

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
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Budget Activity 2

Activity Group: Warstoppers

I. Description of Operations Financed (continued):

nerve agent auto injector production through the purchase of injector components. In addition, funds are used to maintain unique food production equipment owned by the government to support surge requirements for combat rations.

NERVE AGENT ANTIDOTES (NAA): The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to take the necessary steps to ensure the maintenance and stability of the industrial base for Nerve Agent Antidote Autoinjectors. Since 1992, the only FDA approved producer has had an Industrial Base Maintenance Contract (IBMC) to produce injectors for wartime surge and other necessary requirements. These funds maintain critical process capability and FDA certification of the sole domestic source of NAA autoinjectors. Increased funding is projected for the new NAA industrial base maintenance contract for FY99-FY01. The program growth of \$607K reflects preliminary prices that have been received from the contractor during the solicitation process. A decrease in funding in this area will prevent the Agency from being able to sustain this critical sole source supplier of NAA.

CHEMICAL GLOVES: The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to ensure the maintenance and stability of the industrial base for chemical protective suits, boots, and gloves. The resources support Industrial Base Maintenance Contracts (IBMCs) for the only two sources of butyl gloves. Peacetime demand is insufficient to maintain these sources of supply. Funding is based on two new glove industrial base maintenance contracts negotiated for FY99-FY00 in Apr. The program increase of \$27K reflects actual negotiated prices. A decrease of funding in this area will prevent the Agency from being able to sustain these two critical suppliers of chemical protective gloves.

CHEMICAL SUITS: The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to ensure the maintenance and stability of the industrial base for chemical protective suits, boots, and gloves. This line funds measures to ensure the

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
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Budget Activity 2

Activity Group: Warstoppers

I. Description of Operations Financed (continued):

availability of adequate industrial capability to meet wartime demand for chemical protective suits. The line has been used to purchase chemical protective suit liner material that is stored as a supply bubble to meet wartime production demand. The liner material is a long lead time item purchased from foreign sole source. A decrease of funding in this area will dramatically impact the capability of the Agency to provide for the accelerated production of chemical protective suits to meet wartime requirements.

MEALS READY TO EAT (MRE) INDUSTRIAL PREPAREDNESS MEASURES (IPM): The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to take necessary steps to ensure the maintenance and stability of the industrial base for MREs and Tray Pack rations. This line funds measures to ensure that adequate industrial capacity exists to meet the Services' wartime surge requirements. The \$200K program increase reflects the planned purchase of unitization equipment necessary to meet surge requirements for the Unitized Group Rations (UGR). This is reserve equipment that will be used to satisfy mobilization requirements. A decrease in funding in this area will negatively impact the capability of the Agency to meet the planned wartime requirements for the UGR.

TRAY PACK/MRE EQUIPMENT MAINTENANCE: The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to take necessary steps to ensure the maintenance and stability of the industrial base for MREs and Tray Pack rations. The resources requested for this project will fund the storage and maintenance of unique traypack and MRE production equipment necessary to meet wartime requirements. This equipment gives the industry the capability to quickly expand production in times of war.

TRAY PACK IPM: The Senate Armed Services Committee Report (July 1991, page 84) directed the Secretary of Defense to take necessary steps to ensure the maintenance and stability of the industrial base for MREs and Tray Pack rations. This line funds measures to ensure that adequate industrial capacity exists to meet the Services' wartime surge requirements for tray pack rations.

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 2

Activity Group: Warstoppers

I. Description of Operations Financed (continued):

MANPOWER AND DIRECT SUPPORT: DLA, a Combat Support Agency, is directed by congress to assess the capability of the industrial base to provide wartime requirements and maintain the ability of the industrial base to produce critical Warstopper items. These funds support readiness initiatives, supporting activities, and personnel implementing DLA's Industrial Base Program (IBP) to include salaries, travel, training, tools.

DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS): This line funds resources necessary to establish and maintain a viable DPAS program within DLA. This program promotes an efficient and effective program by providing continual training and training materials to field personnel that manage and execute the program.

NUCLEAR, BIOLOGICAL, AND CHEMICAL (NBC) DEFENSE: This line provides for mobilization preparedness of critical NBC Defense products required by the Services. DLA must maintain a "warm" military unique industrial capability that meets the Services' replenishment and sustainment requirements. Items covered are military unique biomedical defense vaccines and chemical agent defense pharmaceuticals.

INDUSTRIAL READINESS: This project focuses on funding to (1) support surge capability for critical troop support items and commodities supporting critical weapons systems, and (2) ensure actions preserving critical industrial capability can be implemented. Emphasis is being placed on new business practices and increased reliance on the commercial sector to meet these requirements. The increase is due to costs associated with the Prime Vendor (PV) Surge Initiative. This is a new initiative that provides for more rigorous surge assessments and testing of prime vendors and other long-term contracts and provides funds for investments to meet critical wartime shortfalls. A large percentage of our troop support items are provided via prime vendors, and an increasing amount of hardware and spares are being procured via Prime Vendors. The increase is necessary to ensure that assessments are made and preparedness measures implemented where appropriate to address the capability to meet the Services wartime

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates
Budget Activity 2

Activity Group: Warstoppers

I. Description of Operations Financed (continued):

requirements. This is one of the Agency's top readiness initiatives. A decrease in funding in this area will negatively impact the Agency's ability to assure the Services that their wartime requirements can be met through new business practices such as Prime Vendor.

MEDICAL READINESS: The Medical Readiness account funds preparedness measures necessary to ensure that DLA can meet the Services' surge requirements for critical pharmaceutical, medical, and surgical items. Measures such as Stock Rotation, Prime Vendor Surge, Corporate Exigency Contracts, and Vendor Managed Inventory are used to address shortfalls.

OZONE DEPLETING SUBSTANCES: The amount reflected in the budget is for the purchase of Halon 1301. The \$1.5M decrease simply reflects the maximum amount that could be allocated from a budgetary standpoint after funding competing priorities. The total requirement will be bought through year FY03. The intent is to purchase the material as quickly as possible. Year-to-year variations do not have any significance from a program standpoint.

II. Force Structure: N/A

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III. Financial Summary (\$ in Thousands):

A. <u>Subactivity Group:</u>	FY 1998	Budget	FY 1999		FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Appropriated</u>	<u>Estimate</u>	<u>Estimate</u>
Nerve Agent Antidote	6,054	6,730	7,139	7,139	7,853
Chemical Gloves	3,956	4,349	3,941	3,941	4,027
Chemical Suits	2,431	3,000	3,000	3,000	3,050
MRE IPM	405	0	0	0	200
Tray Pack/MRE Maintenance	116	200	200	200	200
Tray Pack IPM	2,800	50	50	50	50
Manpower/Direct Support	3,448	3,674	3,673	3,673	3,772
DPAS	12	30	30	30	30
NBC Defense	1,000	1,000	1,000	1,000	1,000
Industrial Readiness	5,444	10,301	7,191	7,191	10,030
Medical Readiness	5,596	6,100	6,100	6,100	6,100
Ozone Depleting Substances	3,975	3,500	3,500	3,500	2,000
TOTAL	35,237	38,934	35,824	35,824	38,312

B. Reconciliation Summary:

	<u>Change</u>	<u>Change</u>
	<u>FY 1999/1999</u>	<u>FY 1999/2000</u>
Baseline Funding	38,934	35,824
Congressional Adjustments	(3,110)	0
Supplemental Request	0	0
Price Change	(97)	537
Functional Transfers	0	0
Program Changes	97	1,951
Current Estimate	35,824	38,312

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Activity Group: Warstoppers

III. Financial Summary (\$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	38,934
2. Congressional Adjustments (Distributed)	(3,000)
3. Congressional Adjustments (Undistributed)	
a. Section 8105 - DRI Savings	(37)
b. Section 8108 - Revised Economic Assumptions	(44)
c. Congressional Earmark Billpayer	(29)
Total Congressional Adjustments (Undistributed)	(110)
4. FY 1999 Appropriated Amount	35,824
5. Price Change	(97)
6. Total Program Increases	97
7. Total Program Decreases	0
8. Revised FY 1999 Current Estimate	35,824
9. Price Growth	537

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Activity Group: Warstoppers

III. Financial Summary (\$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued):

10. Program Increases:

a. Nerve Agent Antidote (Contractor Prices)	607
b. Chemical Gloves (New Contract Negotiations)	27
c. Chemical Suits (Ensure Adequate Availability)	5
d. MRE IPM (To meet surge requirements)	200
e. Manpower/Dir Spt for readiness initiatives	44
f. Indust'l Read - Prime Vendor Initiative	2,731

Total Program Increases		3,614
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11. Program Decreases

Program adjustments in Tray Pack IPM, NBC Defense, Medical Readiness, and Ozone Depleting Substances Due to the leveling of project requirements.	(1,663)
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12. FY 2000 Budget Request	38,312
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IV. Performance Criteria and Evaluation Summary: N/A

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Activity Group: Warstoppers

V. Personnel Summary: N/A

VI. OP-32 Line Items as Applicable (\$ in Thousands):

		<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
989	Other Contracts	35,237	388	199	35,824	537	1,951	38,312
	TOTAL	35,237	388	199	35,824	537	1,951	38,312

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Operations and Maintenance, Defense-Wide
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Activity Group: Contract Management

I. Description of Operations Financed:

CONTRACT ADMINISTRATION SERVICES (CAS): DCMC provides customer-focused contract management services throughout the acquisition life cycle, around the clock, around the world. As DoD's independent CAS agent, DCMC represents the interests of the Government with industry, thereby protecting the rights of the Government, obtaining maximum value for taxpayers' dollars and providing responsive support to the Military Departments as well as to civilian agency customers. DCMC's major responsibilities are: ensuring contractor compliance with cost, delivery, technical, quality and other terms of contracts assigned for administration; accepting products and services on behalf of the Government; providing program and technical support; and ensuring that contractors are paid. DCMC serves as DoD's information broker in contractors' plants worldwide, providing the Military Departments and civilian agency customers with invaluable insight in both preaward and postaward contract management.

DCMC aims to be the provider of choice for contract management for DoD and other Federal and international organizations, and a valued customer to our suppliers. DCMC's strategic objectives include: providing the right item at the right time for the right price, teaming with our business partners to achieve customer results, serving as a catalyst for the revolution in business affairs, accelerating acquisition reform by applying commercial processes and practices, leveraging information technology to improve business results, investing to develop and sustain the right talent, and building and maintaining a positive work environment.

DCMC has already made major reductions in staffing between FY 1991 and FY 1997. This budget continues that trend and reflects a reduction of over 1,500 personnel from FY 1998 to FY 2000, which equates to an eleven percent reduction. In addition to personnel reductions, DCMC has made significant reductions in nonlabor in order to fund basic personnel costs, which include pay raises, locality pay, and mandatory step increases not completely funded by the Department. DCMC realized a \$20M increase in FY 1998 over funded rates.

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Activity Group: Contract Management

I. Description of Operations Financed (continued):

STANDARD PROCUREMENT SYSTEM (SPS):The SPS program objective is deploying SPS to users in the functional area of defense contracting. There are approximately 46,000+ users at approximately 1,000 sites worldwide, and the full operational capability threshold schedule date is the end of fourth quarter FY 2001. The purpose of SPS is to standardize the automated procurement functions across the Army, Navy, Air Force, Marine Corps, Defense Logistics Agency, DCMC, and the other Defense Agencies. Additionally, SPS will provide Electronic Document Access capabilities.

The Program Office is responsible for: installation of the product (Procurement Defense Desktop (PD2)), licenses, training, establishment of the Shared Data Warehouse (SDW), interfaces to the financial and other legacy systems, data conversion, and versions of the tailored software.

The program increase from FY 1999 to FY 2000 partially stems from a \$8.7M reduction to the FY 1999 program levied from a Congressional mark on DCMC infrastructure and a reduction mandated to legacy systems. The FY 1999 Congressional mark delays licensing and training 3,000 users to FY 2000. The legacy system mark reduces maintenance for DCMC users on Mechanization of Contract Administration Services System (MOCAS) to only mission essential support. The increase is also attributed to the continued achievement of expanding the number of DoD procurement users with SPS. The expansion requires more users to receive SPS training than in previous years. And in order to expand into other DoD procurement communities, interfaces and data conversions must be created and achieved to connect with logistics and finance communities. With the expanded use of SPS, additional functionality is required to sustain currency with Electronic Commerce and Electronic Business capabilities. The FY 2000 funding requirements have not changed from the previous budget submission.

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Activity Group: Contract Management

I. Description of Operations Financed (continued):

DCMC INITIATIVES: In order to operate efficiently and effectively with constrained resources, DCMC has re-engineered its business practices to provide a standard way of doing business across the Command. This business architecture, in addition to necessitating a robust computing and communications infrastructure, has required the development and deployment of unique software applications. In particular, these initiatives support critical DoD Management Reform efforts in paperless contracting, disposal of excess Government property and source acceptance.

Other initiatives enable Command-wide standard business practices for contract administration, such as contract closeout, contract termination, quality assurance management and risk assessment management.

DCMC INFRASTRUCTURE: Information Technology infrastructure is critical to execution of the Command's mission and implementation of its key initiatives. The Command has developed a technical architecture that defines the computing and communications environment needed to implement and sustain its critical business architecture. This technical architecture is updated as new mission needs and business requirements are identified.

A significant migration from mainframe to mid-tier systems is underway, as MOCAS is replaced within the Command by the Standard Procurement System. Other business applications have been and are being developed to operate within a client/server architecture. This has necessitated an aggressive modernization program to assure that the required computing power is available and capable of running the ever-increasing complexity of standard commercial off-the-shelf software packages and unique software applications.

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Activity Group: Contract Management

I. Description of Operations Financed (continued):

At the same time, business operations have dramatically increased the amount of data that needs to be exchanged between personnel, both within and outside the Command. This requires increased bandwidth and throughput capability, which must be planned, executed and maintained.

DCMC has embarked on a one third replacement program to update its current and future technical architecture to maintain industry standards and efficiency (as quoted in Gartner Group Study). With the high volume of paperless and large processing requirements being directed for implementation by OSD, (e.g. Dr. Hamre initiatives and SPS deployment) it is imperative that we replace our computer architecture every three years. The one-third replacement cycle (approximately 4,500 PCs) gives the Command the ability to keep PC hardware requirements in line with the ever-changing increases in software processing standards/speeds. The recent FY 1999 Congressional mark stopped the Command's ability to continue the one-third replacement cycle (4,500 PCs). Without this one-third replacement cycle the cost to incorporate new high processing applications becomes greater due to maintaining and upgrading old equipment. This Command also has the requirement to support programs that work directly with contractors/contract facilities. If we do not stay current with our computer infrastructure the ability to interoperate (software/hardware) with industry becomes hindered.

DLA CORPORATE ALLOCATION: The Defense Logistics Agency (DLA) is made up of six different business areas, one of which is DCMC. In addition to budgeting for the core mission, each business area must budget for an allocation of the costs for DLA's corporate organizations. The corporate organizations include areas such as the Office of the Comptroller, Civilian Personnel, Administrative Support Center, and General Council. Each of these organizations provides matrix support to all the business areas. This enables DLA and the business areas to minimize overhead costs.

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I. Description of Operations Financed (continued):

The allocation of corporate costs is based on each business areas "earnings". In the case of DCMC, the Operations and Maintenance appropriation is considered the earnings. DCMC budgets for 6.3% of DLA's corporate costs.

REIMBURSABLE EARNINGS: DCMC performs CAS on a reimbursable basis for non-DoD customers. DCMC performs the full range of CAS functions for Foreign Military Service (FMS) customers. CAS in support of FMS represents about 75% of our reimbursable dollars. DCMC also provides CAS in support of direct commercial sales. Civilian Agency customers include National Aeronautical Space Administration (NASA), Department of Energy, Department of Transportation (DOT), Environmental Protection Agency (EPA), and Department of State, among others. Actual hours are billed at a standard annual rate. CAS in support of civilian agencies is typically limited to specific functions, for example, the majority of DCMC's support to NASA is quality assurance. DOT and State request pre-award support. EPA has delegated property and purchasing system reviews.

From FY 1999 to FY 2000 FMS sales and NASA delegations are declining faster than DoD workload. The decrease in reimbursable earnings is broken out as follows: FMS -\$1.6M, NASA -\$2.0M, and other (Federal Agencies, Privatization and HQ) -\$0.3M.

II. Force Structure Summary:

The DCMC force structure is designed to support seven primary Contract Administration Services and four major activities. These functions consist of the following:

- Primary Functions
 - Quality
 - Production

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II. Force Structure Summary (continued):

- Program Integration
- Contracts/Pricing
- Engineering
- Property
- Transportation
- Flight Safety

- Major Activities
 - Precontract Administration
 - Customer Mandatories
 - Systems Review
 - Contingency Contract Administration Services

These seven primary functions and four major activities provide the framework for the DCMC missions, goals, and objectives.

DCMC manages more than 360,000 prime contracts valued at \$970 billion, covering 23,000 contractors around the world. DCMC executes this dynamic and complex mission through effective force structure manning. DCMC reduced its force structure manning by 43% over the last eight years.

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III. Financial Summary (O&M: \$ in Thousands):

	FY 1998	Budget	FY 1999	Current	FY 2000
A. <u>Subactivity Group:</u>	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
Contract Admin Services					
Pers Comp & Benefits	841,626	824,844	821,045	809,389	831,205
Vol Sep Incentive Pay	13,600	0	0	11,300	0
PCS	12,470	12,657	12,657	12,066	13,658
Travel	25,512	25,895	25,895	25,433	25,950
Training	8,807	11,382	11,382	11,173	12,952
ISSA	10,029	10,179	10,179	11,198	11,867
Contract Serv (Non Other)	16,915	17,169	17,169	17,101	17,358
Supplies & Materials	7,946	5,821	5,821	5,908	6,003
Rental Payments	22,315	23,385	23,385	22,567	22,879
Util & Non DISA Comm	16,116	15,399	15,399	16,292	16,531
Info Services - DISA	13,578	16,370	16,370	14,718	14,883
Finance&Accounting Serv	14,705	24,154	24,154	15,595	11,925
Other Operating Sup Costs	21,385	13,341	13,341	16,375	17,124
Subtotal	1,025,004	1,000,596	996,797	989,115	1,002,335
Standard Procurement System					
Per Comp & Benefits	2,469	2,563	2,563	2,479	2,415
Supplies	40	35	35	41	42
Equipment Purchases & Commercial Off the Shelf	5,538	21,426	16,226	12,648	13,000
Processing Charges	1,935	882	882	594	609
Software Development & Maintenance	18,884	7,798	7,798	12,694	21,228
Software Conversion	5,357	15,015	11,515	10,646	11,558

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Activity Group: Contract Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

A. <u>Subactivity Group:</u>	FY 1998	Budget	FY 1999		FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>	<u>Estimate</u>
Training/Testing/ Studies & Implementation	20,761	17,857	17,857	18,062	24,905
Other Purchases	1,031	981	981	725	951
Subtotal	56,015	66,557	57,857	57,889	74,708
DCMC Initiatives	8,283	10,768	9,968	11,868	9,115
Infrastructure	19,714	36,604	26,904	26,904	36,631
DLA Corporate Allocation	11,189	12,303	12,303	15,120	15,755
Total	1,120,205	1,126,828	1,103,829	1,100,896	1,138,544
Reimbursable Earnings	181,757	162,963	162,963	167,881	163,961
Operation & Maintenance	938,448	963,865	940,866	933,015	974,583

B. Reconciliation Summary:

	<u>Change</u> <u>FY 1999/FY 1999</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
Baseline Funding	963,865	933,015
Congressional Adjustments	(22,999)	0
Supplemental Request	0	0
Price Change	(561)	33,362
Functional Transfer	(4,151)	547
Program Changes	(3,139)	7,659
Current Estimate	933,015	974,583

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Activity Group: Contract Management

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases:

1.	FY 1999 President's Budget		963,865
2.	Congressional Adjustments (Distributed)		
	a. ADP Legacy System Efficiencies	(4,300)	
	b. Information Technology	(14,900)	
	Total Other Congressional Adjustments (Distributed)		(19,200)
3.	Congressional Adjustments (Undistributed)		
	a. Section 8105 - DRI Savings	(901)	
	b. Section 8108 - Revised Economic Assumptions	(1,083)	
	c. Section 8135 - Foreign Current Fluctuations	(1,097)	
	d. Congressional Earmarks	(718)	
	Total Other Congressional Adjustments (Undistributed)		(3,799)
4.	FY 1999 Appropriated Amount		940,866
5.	Functional Transfers-Out		
	Internal Realignment of Joint Electronic Commerce Program Office (JECPO) and the DoD Computer Forensic Laboratory funding to Other Logistics Services (OLS)		(4,151)
6.	Price Growth		(561)
7.	Program Increases		
	a. Increase for Electronic Document Workflow (EDW)to support efforts to move to Paper Free Contracting by FY 2000	1,900	

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III. Financial Summary (O&M: \$ in Thousands) (Continued):

C.	<u>Reconciliation of Increases and Decreases:</u>		
	b. Increase in Travel and PCS expenses to accommodate contractor consolidations and workforce restructuring	7,100	
	c. Program offset due to FY 99 price change	561	
	Total Program Increases		9,561
8.	Program Decreases		
	Reduction of 452 FTEs to comply with price escalation indices labor reduction		(12,700)
9.	Revised FY 1999 Current Estimate		933,015
10.	Price Growth		33,362
11.	Functional Transfers-In:		
	The Space and Warfare Systems Command (SPAWARSYCOM) transfer of Contract Administrative Services (CAS) from the Department of the Navy		547
12.	Program Increases		
	a. Infrastructure costs adjustments to support Base Level equipment and Commercial Off the Shelf (COTS) software	13,568	
	b. Increased other support costs due to pricing changes and adjustments to communication purchases	1,282	

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III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation of Increases and Decreases (Continued)

	c. Increased SPS funding for software development, maintenance, software conversions, AMS PMO commercial ADP training and travel expenses	16,851	
12.	Program Increases (con't)		
-	d. Increases associated with DISA and DLA Information Services software development and maintenance requirements	3,175	
	Total Program Increases		34,876
13.	Program Decreases		
	a. Reduction in labor is attributable to the realignment of personnel to reflect workload projections and termination of Voluntary Separation Incentives Program (VSIP)	(15,115)	
	b. Reduction in DFAS funding is due to realignment of MOCAS workcounts to the appropriate business area	(3,670)	
	c. Reductions associated with DCMC Information Technology (IT) initiatives are due to software development accomplishments	(2,753)	
	d. Other prorata nonlabor reductions associated with the realignment of funding to other program requirements	(5,679)	
	Total Program Decreases		(27,217)
14.	FY 2000 Budget Request		974,583

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Customer Satisfaction Rating	90%/5.0	90%/5.0	90%/5.0
Execute Budgeted FTEs	14,009	12,998	12,859
Contracts Closed Within FAR/DFAR Goals	85%	85%	85%
Overage Undefined Contracting Actions	<20%	<15%	<15%

V. Personnel Summary:	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 98/99</u>	<u>Change FY 99/00</u>
<u>Active Military End Strength (E/S) (Total)</u>	727	676	570	(51)	(106)
Officer	588	544	471	(44)	(73)
Enlisted	139	132	99	(7)	(33)
<u>Civilian End Strength (Total)</u>	13,832	12,923	12,838	(909)	(85)
U.S. Direct Hire	13,708	12,799	12,714	(909)	(85)
Foreign National Direct Hire	102	102	102	0	0
Total Direct Hire	13,810	12,901	12,816	(909)	(85)
Foreign National Indirect Hire	22	22	22	0	0
(Reimbursable Civilians Included Above-Memo)	2,084	1,929	1,849	(155)	(80)
<u>Active Military Average Strength (A/S) (Total)</u>	727	676	570	(51)	(106)
Officer	588	544	471	(44)	(73)
Enlisted	139	132	99	(7)	(33)

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V. Personnel Summary (Continued):

<u>Civilian Workyears (Total)</u>	14,009	12,998	12,859	(1,011)	(139)
U.S. Direct Hire	13,885	12,874	12,735	(1,011)	(139)
Foreign National Direct Hire	102	102	102	0	0
Total Direct Hire	13,987	12,976	12,837	(1,011)	(139)
Foreign National Indirect Hire	22	22	22	0	0
(Reimbursable Civilians Included Above-Memo)	2,111	1,950	1,852	(161)	(98)

VI. OP-32 Line Items as Applicable (Dollars in Thousands):

	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101 Exec, Gen & Spec Schedule	713,406	24,256	(46,308)	691,354	29,037	(3,785)	716,606
103 Wage Board	604	21	0	625	26	0	651
104 Foreign National Direct Hire	4,385	149	0	4,534	190	0	4,724
105 Separation Liability (FNDH)	214	7	0	221	9	0	230
106 Benefits to Former Employees	4,732	0	0	4,732	0	0	4,732
107 Vol Sep Incent Pay	13,600	0	(2,300)	11,300	0	(11,300)	0
111 Disability Comp	5,271	0	0	5,271	0	0	5,271
199 TOT CIV PERS COMPENSATION	742,212	24,433	(48,608)	718,037	29,262	(15,085)	732,214
308 Travel of Persons	27,950	307	3,090	31,347	470	0	31,817
399 TOTAL TRAVEL	27,950	307	3,090	31,347	470	0	31,817

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VI. OP-32 Line Items as Applicable (Dollars in Thousands) (Continued)

401 Fuel Purch (Sup Management)	62	(5)	0	57	(14)	0	43
415 DLA Managed Sup and Materials	1	0	0	1	0	0	1
	<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
	<u>Actuals</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
416 GSA Managed Sup and Materials	916	10	0	926	14	0	940
499 TOTAL FUND SUP & MATERIALS PURCHASES	979	5	0	984	0	0	984
506 DLA Fund Equipment	11	0	0	11	1	0	12
507 GSA Managed Equipment	167	2	0	169	3	0	172
599 TOTAL FUND EQUIPMENT PURCHASES	178	2	0	180	4	0	184
634 Naval Public Works Centers: Utilities	26	(2)	0	24	0	0	24
635 Naval Public Works Centers: Public Works	5	0	0	5	0	0	5
647 DISA Info Services	7,174	(789)	638	7,023	(674)	524	6,873
650 DLA Info Services	10,569	1,363	(8,977)	2,955	585	2,425	5,965
671 Comm Srv (DISA)	6,404	(38)	1,329	7,695	1,247	(932)	8,010
673 Def Fin and Acct Service	14,705	544	346	15,595	234	(3,904)	11,925
677 Purch Equip Maint, Non-ADP	261	3	0	264	4	0	268
678 Def Sec Srv	70	0	0	70	1	0	71
699 TOTAL PURCHASES	39,214	1,081	(6,664)	33,631	1,397	(1,887)	33,141

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Activity Group: Contract Management

VI. OP-32 Line Items as Applicable (Dollars in Thousands) (Continued):

	<u>FY 1998</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
701 MAC Cargo (Fund)	421	29	0	450	7	0	457
771 Commercial Transp	4,123	45	0	4,168	63	23	4,254
799 TOTAL TRANSP	4,544	74	0	4,618	70	23	4,711
901 For Nat Indirect Hire (FNIH)	717	24	0	741	31	0	772
912 Rent to GSA (SLUC)	18,492	203	0	18,695	280	0	18,975
913 Purch Utilities (non-Fund)	2,952	32	0	2,984	45	0	3,029
914 Purch Comm (non-Fund)	12,723	140	0	12,863	193	0	13,056
915 Rents (non-GSA)	1,947	21	0	1,968	30	0	1,998
917 Postal Srv (U.S.P.S.)	1,693	0	0	1,693	0	0	1,693
920 Sup & Mat (non-Fund)	6,833	75	(2,038)	4,870	73	0	4,943
921 Printing & Reproduction	451	5	759	1,215	18	0	1,233
922 Equip Maint by Cont	3,649	40	0	3,689	55	0	3,744
923 Fac Maint by Cont	692	8	0	700	11	0	711
925 Equip Purch (non-Fund)	24,846	273	10,459	35,578	534	13,386	49,498
932 Prof & Mgmt Srv by Contract	7,903	87	0	7,990	120	0	8,110
933 Studies, Analysis, & Evaluations	5	0	0	5	0	0	5
934 Cont Eng & Tech Services	4,666	51	0	4,717	71	0	4,788
989 Other Contracts	35,604	392	10,314	46,310	695	11,769	58,774

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Activity Group: Contract Management

VI. OP-32 Line Items as Applicable (Dollars in Thousands) (Continued):

	FY 1998 <u>Actuals</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2000 <u>Estimate</u>
998 Other Costs	138	2	0	140	2	0	142
991 Foreign Currency Variance	60	0	0	60	1	0	61
999 TOTAL OTHER PURCH	123,371	1,353	19,494	144,218	2,159	25,155	171,532
TOTAL	938,448	27,255	(32,688)	933,015	33,362	8,206	974,583

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed:

In past fiscal years, the Contract Management Activity Group budget request included funding requirements for non-Contract Management Programs. The funding associated with the non-Contract Management programs has been increasing since FY 91.

Examples of the non-Contract management programs are Defense Agency Unemployment Compensation, the Director of Acquisition Career Management, Price Comparability, Quality of Life, and the Security Locks Program.

The Other Logistics Services activity group was established to separate the non-Contract Management programs from Contract Management performed in DLA. This activity group includes the following programs:

UNEMPLOYMENT COMPENSATION: Reflects funding of unemployment costs for all Defense Agencies. The Department of Labor consolidates the Defense Agencies unemployment costs. DLA estimates include resources for consolidated Defense-wide payments. Increased funding request is based on estimated unemployment compensation due to downsizing and consolidation. Decreases in this area could negatively impact the ability to pay estimated Defense Agency unemployment costs.

DIRECTOR OF ACQUISITION CAREER MANAGEMENT (DACM): On March 13, 1992, the Deputy Secretary of Defense directed that DLA provide administrative, logistical and resource support for the Acquisition Career Management System. Section 1707(b) of Chapter 87, Title 10 U.S. Code, requires that the DACM provide system oversight and career program services to the acquisition workforce in the Office of the Secretary of Defense and the Defense Agencies (including DLA). The DACM serves in a dual capacity as Director of Acquisition Education, Training and Career Development (DAETCD) for the Department of Defense and supports the career system policy formulation and implementation activities of the DAETCD.

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

CONTINUITY OF OPERATIONS (COOP): The COOP mission transferred to DLA during FY 1994. COOP mission is under the staff cognizance and oversight of OSD.

PRICE COMPARABILITY: Price Comparability is our effort to identify costs associated with performing tasks that a commercial company would not include in their normal standard pricing. These costs include Readiness support costs. This effort will allow customers a better opportunity to compare DLA prices with those in the commercial sector while minimizing risks to readiness. For example, included in this project is the cost of inventory not for peacetime usage but retained for wartime demand (War Reserve stock). A strictly business approach would dictate that this materiel be disposed of or the customers who request that we retain the materiel be charged the cost of that retention. As part of Price Comparability the cost related to retaining this materiel would be removed from our rates and from our standard pricing. This project helps us price like a business by removing these retention and other non-business dictated costs from our Defense Working Capital Fund rates and having these cost funded from appropriated accounts.

DEFENSE CIVILIAN PERSONNEL DATA SYSTEM (DCPDS): Funding in FY 1998 for developing a single, modern information system for civilian personnel operations Department-wide.

QUALITY OF LIFE: Office of Under Secretary of Defense (Comptroller) letter of June 2, 1995, stated the Defense Working Capital Fund should not be used to fund Morale, Welfare, and Recreation costs, but rather the appropriated or nonappropriated funds, as appropriate. Increased funding is due primarily to include operations and facilities costs at DWCF activities. Decreased funding would negatively impact MWR in DLA.

LOGISTICS COMMUNITY MANAGEMENT (LCM): Funding provided for LCM oversight functions beginning in FY 1999. LCM will improve overall logistics performance in

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

support of warfighters through the coordination of enhancements to information systems, information management, and information exchange among warfighters, the Commander-in-Chief (CINCs), and the logistics community. The Logistics Community Manager is responsible for coordinating and executing logistics community management in order to accomplish DUSD(L) Logistics Business Systems Corporate Strategy.

CONTINUING HEALTH: Funding to cover Agency expenses for continuing health coverage for reduction-in-force and BRAC affected employees. Increased funding is based on estimated health coverage costs due to downsizing and consolidation. Decreases in this area could negatively impact the ability to pay estimated DLA continuing health benefits.

SECURITY LOCKS PROGRAM: The funding for the security lock retrofit began in FY 1994 as directed by the Congress.

COUNTER-DRUG ACTIVITIES: Funding for approved counter narcotics projects, mandated drug testing, and drug abuse education.

DISABILITY COMPENSATION: Funding to cover disability compensation in the closed Clothing Factory (DPSC).

AUTOMATED DOCUMENT CONVERSION SYSTEM (ADCS): Funding for the purchase of software to convert the Department's more complex engineering documents from raster files to an intelligent format. Funding as directed by Congress.

PROCUREMENT TECHNICAL ASSISTANCE PROGRAM (PTAP): The Procurement Technical Assistance Cooperative Agreement Program (PTACAP) was established by Congress in the FY 1985 DoD Authorization Act, Public Law (PL) 98-525. The PL amended Title 10, United

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

States Code (USC) by adding Chapter 142. Title 10, USC, as amended, continues to authorize the Secretary of Defense, acting through the Director, DLA, to enter into cost sharing cooperative agreements with state and local governments, nonprofit organizations, Indian tribal organization and Indian economic enterprises to establish and conduct procurement technical assistance programs. The DoD Authorization and Appropriations Acts make funds available, to fund a program to assist state and local governments and nonprofit entities and a program to assist tribal organizations and Indian enterprises with establishing or maintaining PTACAP activities which include helping business firms market their goods and/or services to DoD, other Federal agencies and state and local governments. Increased funding will be used to enter into cost sharing cooperative agreements.

RAPID ACQUISITION OF MANUFACTURED PARTS (RAMP): Funding to cover the transfer of RAMP to DLA from the Navy in FY 1999. RAMP mission is to develop methods to reduce the acquisition and manufacturing lead times for parts in limited supply. Its objective is to develop the capability to more quickly and efficiently manufacture low-volume, hard-to-obtain parts.

DPSC DEMOLITION: Funding in FY 1998 for the demolition of the former Defense Personnel Support Center buildings in Philadelphia Pennsylvania due to Base Realignment and Closure (BRAC).

INVENTORY MANAGEMENT ,CATALOG PRODUCTION & DISTRIBUTION OF HARD COPY MAP FUNCTION: In May 1996, the JSC Combat Support Agency Review Team recommended map management be transferred from the NIMA to DLA. Transfer approximately 70,000 map items to DLA. DLA to serve as the DoD Integrated Materiel Management and Distributor of those items. DLA to provide the items as free issue. Functional transfer of Hardcopy Media Inventory Management, Cataloging, and Distribution functions from NIMA to DLA beginning in FY 1999.

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

CONTINUOUS ACQUISITION AND LIFE CYCLE SUPPORT (CALC): CALC provides for the logistics, repair, and sustainability of ongoing efforts. CALC uses electronic techniques to identify systems requirements. It develops software cost estimation models for object-oriented development environments; establishes proactive quality engineering; develops personal computer based logistics data servers; provides benefits analysis planning tools; and converts digital production imaging control systems versus a manual work distribution and control system; etc. Basically, it is a method of electronically identifying what systems require and how to get the proper parts/tools to the correct location. CALC and Electronic Commerce (EC) are closely interrelated. Electronic Commerce is involved in advertising, locating, procuring, and transporting items in an electronic or paperless environment. It is through Electronic Commerce/Electronic Data Interchange that efforts for CALC are being initiated and completed to comply with DoD's requirement for paperless acquisition and life cycle support by 2002. Funding incorporated into JECPO current estimate and outyears.

DEFENSE STANDARDIZATION PROGRAM OFFICE (DSPO) (MILSPEC): Functional transfer of functions from OUSD(A&T) to DLA in FY 1999. DSPO mission is to develop and manage DoD-wide policies and procedures to implement Public Laws pursuant to standardization, acquisition, and metrication. This includes all action actions necessary to develop and maintain performance specifications, standards, handbooks, and other standardization documents. This also includes developing policies, procedures, and training to facilitate and promote the acquisition of commercial and nondevelopmental items by making more aggressive use of market research and commercial item descriptions. Increased funding reflects a transfer of program funds to DLA in FY 99.

DEFENSE PROPERTY ACCOUNTABILITY SYSTEM (DPAS): Functional transfer of DPAS from OUSD(C) beginning in FY 1999. DPAS is the DoD migratory system for which DLA is the Executive Agent. DPAS is an integrated system for improving accounting and

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

accountability for DoD-owned property. Increased funding will expedite implementations and systems changes for the updated accounting requirements developed by the Finance & Accounting Standards Advisory Board (FASAB).

DEFENSE SECURITY SERVICE (DSS) FEE-FOR-SERVICE: DSS became an activity group of the Defense-wide Working Capital Fund in FY 1999 and operates on a reimbursable basis. Funds will cover DSS support to DLA for Personnel Security Investigations, National Industrial Security Investigations, and DoD Security and Education Training Programs. Increased funding to cover DLA estimated workload based on data from previous years.

JOINT ELECTRONIC COMMERCE PROGRAM OFFICE (JECPO): The Joint Electronic Commerce Program Office (JECPO) was established to support the Joint Electronic Commerce Program. The Department of Defense Chief Information Officer (DoD CIO) has oversight and policy control. JECPO is designated as the DoD Executive Agent to directly support, facilitate and accelerate the application of electronic business practices and associated information technologies to improve DoD processes and support weapons and combat support systems throughout their life cycles. JECPO is assigned organizationally to the Defense Logistics Agency (DLA), as the lead on business development; and the Defense Information Systems Agency (DISA) for oversight of technical development. JECPO is responsible for the strategic implementation of Electronic Commerce (EC) policy. Electronic Commerce (EC) is an evolving business methodology for enterprise-wide conduct of secure business transactions via electronic means. The JECPO allows DoD to centralize EC policy recommendations, planning, and coordination efforts. It will also ensure consistent implementation based on open standards for interoperability in a common business environment while maintaining the decentralization of EC execution. CALS funding incorporated in JECPO current estimate and outyears.

DEFENSE ACQUISITION UNIVERSITY: Funding to cover DAU support to the Agency.

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

CONTINGENCY OPERATIONS: Supplemental funding to cover DWCF activities for costs incurred in support of contingency operations in FY 1998.

IMPROVED CARGO METHODS & TECHNOLOGIES: Funding in FY 1999 to evaluate cost saving opportunities that exist from integrating the latest private sector logistics research, transport technology, and security development into the practices and procedures for moving military cargo around the United States and throughout the world. As directed by Congress, this evaluation will be accomplished by a not-for-profit foundation having detailed knowledge of national and international commercial practices in all elements of the supply chain. The analysis will evaluate the ability of third-party logistics providers to meet military requirements and ways to improve commercial cargo security procedures across distribution networks.

LOGISTICS TRANSFORMATION: Funding in FY 2000 to conduct studies for specific initiatives offering the potential for DoD to transform the current "mass model" logistics structure into world-class integrated supply chains focused on warfighter needs. Initiatives will compliment ongoing reengineering efforts with the Services and DLA consistent with the Logistics Functional Requirements and Joint Vision 2010.

AUTOMATIC IDENTIFICATION TECHNOLOGY (AIT): Funding in FY 2000 for AIT to support a suite of technologies that enables the automatic capture of source data, thereby enhancing the ability to identify, track, document, and control deploying forces, equipment, and personnel and sustainment cargo. AIT will streamline the DoD logistics business processes and enhance its warfighting capability. AIT will assist DoD in achieving Joint Total Asset Visibility and a Common Operating Picture based upon accurate source data generation. AIT will improve supply visibility, and provide more accurate and timely information to decision makers.

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Activity Group: Defense-Wide Logistics Services:

I. Description of Operations Financed (Continued):

MANAGERIAL SUPPORT: Funding for programs such as: a.) Prior Year Invoices: Prior year bills received after the close of the fiscal year.; b.) DoD Inventory Control Group Rent: Leased space for DoD.; c.) Official Representation Funds (ORF): Special and official functions or ceremonies with DoD personnel and distinguished non-DoD personnel. Beginning in FY 98 all DLA activities were required to use O&M funds for ORF functions.; d.) Investigative Activities: DLA confidential investigations.; e.) Director's Medallion: Purchase of medallions to be presented by the DLA Director for special accomplishments.

II. Force Structure: N/A

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 1998	Budget	FY 1999		FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>Estimate</u>
Unemployment	17,808	21,019	20,867	20,677	21,824
Def Acq Career Mgmt	755	784	784	784	775
Continuity of Opns	3,602	3,751	3,751	3,751	3,689
Price Comparability	6,059	37,551	37,551	36,911	37,506
Def Civ Per Data System	5,199	0	0	0	0
Quality of Life	10,152	12,993	12,993	12,993	13,438
Logistic Community Mgr	0	6,000	6,000	6,000	6,000
Continuing Health	503	1,696	1,696	1,696	1,754
Security Locks	15,000	10,000	10,000	10,000	0
Counter Drug Activities	1,004	0	0	0	0
Disability Compensation	943	1,118	1,118	1,118	1,099
Automated Document Conv Sys	19,471	0	25,000	25,000	0
PTAP	15,617	17,000	17,000	17,000	17,357
RAMP	0	1,000	1,000	1,000	1,500

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Activity Group: Defense-Wide Logistics Services:

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 1998 <u>Actuals</u>	Budget <u>Request</u>	FY 1999		FY 2000 <u>Estimate</u>
			<u>Appropriated</u>	<u>Current Estimate</u>	
DPSC Demolition	8,465	0	0	0	0
Inventory, Cataloging, and Distribution of Map	0	27,753	27,753	27,753	27,529
CALS	0	3,660	3,660	0	0
MILSPEC	0	1,688	1,688	4,163	4,489
DPAS	0	10,000	10,000	10,000	15,000
DSS Background Investigations	0	500	500	500	700
JECPO	0	0	0	7,843	9,445
Def Acquisition Univ	3,000	3,115	0	0	3,133
Contingency Opns	7,500	0	0	0	0
Imp Cargo Methods & Tech	0	0	2,000	2,000	0
Logistics Transformation	0	0	0	0	7,000
Automatic ID Technology	0	0	0	0	500
DoD Computer Forensic Lap	0	0	0	800	0
Managerial Support	244	235	235	235	234
Total	115,322	159,863	183,596	190,224	172,972

B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	159,863	190,224
Congressional Adjustments	23,733	0
Supplemental Request	0	0
Price Change	(418)	2,552
Functional Transfers	6,658	(800)
Program Changes	388	(19,004)
Current Estimate	190,224	172,972

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Activity Group: Defense-Wide Logistics Services:

III. Financial Summary (O&M: \$ in Thousands):

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request		159,863
2. Congressional Adjustments (Distributed)		
a. Automated Document Conversion	25,000	
b. Miscellaneous Expenses Reduction	(3,000)	
c. Improved Military Cargo Methods	2,000	
Total Congressional Adjustment (Distributed)		24,000
3. Congressional Adjustments (Undistributed)		
a. Section 8105 - DRI Savings	(67)	
b. Section 8108 - Revised Economic Assumptions	(81)	
c. Congressional Earmark Billpayer	(119)	
Total Congressional Adjustments (Undistributed)		(267)
4. FY 1999 Appropriated Amount		183,596
5. Functional Transfers-In		
a. JEPCO (Internal Realignment)	3,991	
b. Electronic Commerce program from OSD	192	
c. MILSPEC Funding from OSD	2,569	
Total Transfers-In		6,752
6. Functional Transfers-Out		
Ozone Depleting Program Mgmt to OSD		
Total Transfers-Out		(94)
7. Price Change		(418)

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Activity Group: Defense-Wide Logistics Services:

III. Financial Summary (O&M: \$ in Thousands):

C. Reconciliation of Increases and Decreases:

8.	Program Increases		
	a. Offset due to FY 99 Price Change	418	
	b. Computer Crime Lab & Tng Pgm	800	
	Total Program Increases		1,218
9.	Total Program Decreases		
	a. Unemployment Technical Adjustment	(190)	
	b. Price Comparability	(640)	
	Total Program Decreases		(830)
10.	Revised FY 1999 Current Estimate		190,224
9.	Price Growth		2,552
10.	Functional Transfers-Out		
	Computer Crime Lab & Tng Program		
	Total Transfers-Out		(800)
11.	Program Increases		
	a. Unemployment increase due to downsizing/consolidation	1,135	
	b. Quality of Life increases due to including operations and facilities costs at DWCF	250	

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Activity Group: Defense-Wide Logistics Services:

III. Financial Summary (O&M: \$ in Thousands):

11. Program Increases (con't)		
c. Continuing Health increases due to downsizing/consolidation	58	
d. DAU program increase to cover projected University support to the Agency	3,133	
e. Procurement Technical Assistance Program increase for cost sharing cooperative agreement	102	
f. Rapid Acquisition of Manufactured Parts ⁴⁸⁵		
g. Defense Standardization Program (MILSPEC)	264	
h. Defense Property Accountability increase for expedited implementation and system changes	4,840	
i. Defense Security Service Fee-for-Service increase to fund estimated workload	192	
j. Joint Electronics Commerce Program Office	5,199	
k. Automatic Identification Technology to support technologies to enable automatic capture of source data	500	
l. Logistics Transformation studies/initiatives to compliment reengineering for Joint Vision 2010	7,000	
m. Price Comparability to support mission	41	
Total program Increases		23,199
12. Program Decreases		
a. DACM decrease in program requirements	(26)	
b. COOP decrease in program requirements	(154)	
c. Logistics Community Management decrease in program requirements	(90)	

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Activity Group: Defense-Wide Logistics Services:

III. Financial Summary (O&M: \$ in Thousands):

12. Program Decrease (con't)	
d. Security Locks Retrofit decreases due to program term	(10,150)
e. Disability Compensation decreases due to estimated requirements	(19)
f. Automated Document Conversion System decreases due to one year funding	(25,375)
g. Inventory Management, Catalog Production & Distribution of Hard Copy Map Products	(640)
h. Continuous Acquisition of Life Cycle Mgmt realignment in JECPO	(3,715)
i. Managerial Support	(4)
j. Improved Cargo Methods & Technologies decrease due to one year funding	(2,030)
Total Program Decreases	(42,203)
14. FY 2000 Budget Request	172,972

IV. Performance Criteria and Evaluation Summary: N/A

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Activity Group: Defense-Wide Logistics Services:

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY 98/99</u>	<u>Change FY 99/00</u>
<u>Active Mil End Strength (E/S)(Total)</u>	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	23	23	21	0	(2)
US Direct Hire	23	23	21	0	(2)
Foreign National Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Direct Hire	23	23	21	0	(2)
(Reimbursable Civilians-Memo)	0	0	0	0	0
<u>Active Mil FTE (Total)</u>	0	0	0	0	0
<u>Civilian Workyears (Total)</u>	22	23	21	1	(2)
US Direct Hire	22	23	21	1	(2)
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	22	23	21	1	(2)
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians-Memo)	0	0	0	0	0

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Activity Group: Defense-Wide Logistics Services:

OP-32 Line Items as Applicable (\$ in Thousands):

		<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101	Exec, Gen & Spec Schedule	1,465	50	360	1,875	79	(140)	1,814
106	Benefits to Former Empl	503	0	1,193	1,696	0	58	1,754
110	Unemployment Comp	17,808	0	2,869	20,677	0	1,147	21,824
111	Disability Comp	943	0	175	1,118	0	(19)	1,099
199	Total Civ Per Comp	20,719	50	4,597	25,366	79	1,046	26,491
308	Travel of Persons	51	1	2	54	1	(2)	53
399	Total Travel	51	1	2	54	1	(2)	53
647	DISA Info Services	0	0	1,000	1,000	15	(15)	1,000
699	Total Purchases	0	0	1,000	1,000	15	(15)	1,000
912	Rent to GSA (SLUC)	192	2	(2)	192	3	(3)	192
920	Sup & Matls (non-fund)	83	1	2	86	1	(2)	85
921	Printing & Reproduction	23	0	1	24	0	(1)	23
988	Grants	15,617	172	1,211	17,000	255	102	17,357
989	Other Contracts	78,637	865	67,000	146,502	2,198	(20,929)	127,771
999	Total Other Purch	94,552	1,040	68,212	163,804	2,457	(20,833)	145,428
	TOTAL	115,322	1,091	73,811	190,224	2,552	(19,804)	172,972

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Activity Group: Other Logistics Programs

I. Description of Operations Financed:

DEFENSE MICROELECTRONICS ACTIVITY (DMEA): DMEA was established by the Deputy Secretary of Defense as a DoD activity under the authority and control of the Deputy Under Secretary of Defense for Logistics (DUSD(L)). DLA provides the level of reimbursable administrative support services requested by DUSD(L).

The DMEA mission is to provide solutions to microelectronics obsolescence by leveraging the capabilities and payoffs of the most advanced microelectronics technology to solve obsolescence problems in fielded weapon systems. The DMEA mission covers all sustainment and modification issues relating to microelectronics technology regardless of where those devices are used. Diminishing manufacturing sources (DMS) of microelectronics is now the main factor driving DoD system obsolescence and mission degradation. This is a horizontal, technology based issue rather than a vertical application specific issue, since the same microelectronics devices are used in many systems throughout the entire DoD. An OSD IPT recently found that the magnitude of the DMSMS IC problem is growing rapidly and DMSMS decisions are often made using fragmented data. To address these problems, DMEA was designated as the DoD IC DMSMS Executive Agent. DMEA was directed to establish a separate activity, independent from other current DMEA functions, to carry out the chartered responsibilities.

The DMEA also provides technical and application engineering support for the implementation of advanced microelectronics research technologies and manages an organic capability to support these technologies within the DoD. These advanced microelectronics research technologies are translated into solutions for military needs, with a view toward developing and evaluating the feasibility of developed solutions to solve the technological challenges of microcircuit obsolescence. DMEA uses a unique and innovative methodology to reverse engineer microelectronic devices, analyze solution sets, and then build and test the prototype solution.

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Activity Group: Other Logistics Programs

I. Description of Operations Financed (continued):

DMEA's microelectronics engineering specialists, supported by analysis, design, test and prototyping equipment, produce solutions which are technically correct, logistically supportable, schedule responsive, and fiscally affordable for the entire spectrum of microelectronics. The DMEA engineers use design stations populated with proprietary design tools from a variety of vendors. These tools are used in a secure government environment under non-disclosure agreements. The DMEA engineers determine the best value approach for the specific requirement and use the appropriate design tool for the approach. By using these tools, the DMEA can determine the performance-based specifications that meet the requirements and provide seamless access to the industrial base. The solutions are validated through prototyping and placed on contract with a vendor to begin production. This process is favorably viewed by industry because DMEA converts non-producible components to producible. This not only provides a technically correct solution, regardless of the type of microelectronics problem, but also allows the government specialists the ability to select the best value approach for DoD if more than one solution set is available. This approach could be characterized as "smart" government (DMEA) coupled with top-flight industry expertise to provide the best value approach. Creating these commercially viable solutions has the ability to cut across the entire DoD.

BUSINESS PROCESS REENGINEERING CENTER (BPRC): BPRC is a program established under the authority, direct oversight, and operational control of OUSD (A&T). DLA provides financial and administrative services as requested by OUSD (A&T) for this activity. BPRC functionally transferred to DLA in FY 1998 from Defense Information Services Activity (DISA).

The BPRC supports the Office of the Secretary by proposing redesigns of processes, organizations, and the culture of Department of Defense activities. Business process reengineering results in highly streamlined processes by providing for a cross-

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Activity Group: Other Logistics Programs

I. Description of Operations Financed (continued):

functional, integrated analysis of multiple activities or functions that contribute to a shared purpose. Increased funding will be used to upgrade existing computer system and for maintenance contracts on existing equipment.

JOINT TOTAL ASSET VISIBILITY (JTAV) OFFICE: JTAV was established in April 1995 by the Deputy Undersecretary for Defense (Logistics) DUSD(L). The Army DCSLOG was selected as the Executive Agent that same year. JTAV was transferred from the Army DCSLOG to DLA in June of 1998 with funding being transferred via PBD 070. DLA was funded by reimbursable order in FY 1998 and 1999. In FY 2000 DLA will receive \$21.3 million to fund JTAV operations. The JTAV Director functionally reports to the DLA Director through the Deputy Director of of DLA as the JTAV Executive Agent. As the Executive Agent, DLA is responsible to the JTAV Council for the overall direction and program management of JTAV. The JTAV Council consists of the Service DCSLOGS, the Joint Staff/J-I/J-4, "The Director of Defense Information Systems Agency (DISA), and the Deputy Command in Chief of United States Transportation Command (USTRANSCOM), and the Director Defense Logistics Agency (DLA). The Council is chaired by the Deputy Under Secretary of Defense for Logistics DUSD(L).

The JTAV mission is to provide all DoD users with timely and accurate joint logistics and personnel asset visibility information to support Joint Vision 2010 and Focused Logistics. The TAV capability must support all joint and multinational military operations through requirements-based Operation and System Architectures in an interoperable shared data environment. The JTAV capability will enable national supply chain integration that is crucial to streamlined and responsive logistics and personnel support.

The JTAV mission will provide responsive and cost-effective logistics information from Automation Information Systems (AIS) and Automated Identification Technologies (AIT), ensuring readiness and sustainability for the total force in both peacetime and wartime.

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Activity Group: Other Logistics Programs

I. Description of Operations Financed (continued):

JTAV enables functional and operational processes to achieve benefits in two broad areas: improved operation flexibility and reduced operating costs. These categories are not mutually exclusive. In most cases, JTAV benefits will apply to both areas. JTAV will help ensure: declining backlogs at ports and depots; more responsive supply support; reduced inventory levels; and more accurate and effective operational planning, assessment, and execution.

The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel benefits, travel, per diem, and training in support of these programs.

II. Force Structure: N/A

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 1998	Budget	FY 1999		FY 2000
	<u>Actuals</u>	<u>Request</u>	<u>Appropriated</u>	<u>Estimate</u>	<u>Estimate</u>
DMEA	12,139	12,868	12,831	12,831	13,775
BPRC	2,866	3,541	3,531	3,531	3,542
JTAVO	0	0	0	0	21,364
Total	15,005	16,409	16,362	16,362	38,681

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Activity Group: Other Logistics Programs

III. Financial Summary (O&M: \$ in Thousands):

B. Reconciliation Summary:

	Change <u>FY 1999/1999</u>	Change <u>FY 1999/2000</u>
Baseline Funding	16,409	16,362
Congressional Adjustments	(47)	0
Supplemental Request	0	0
Price Change	32	575
Functional Transfers	0	21,364
Program Changes	(32)	380
Current Estimate	16,362	38,681

C. Reconciliation of Increases and Decreases:

1. FY 1999 President's Budget Request	16,409
2. Congressional Adjustments (Distributed)	0
3. Congressional Adjustments (Undistributed)	
a. Section 8105 - DRI Savings	(15)
b. Section 8108 - Revised Economic Assumptions	(19)
c. Congressional Earmark Billpayer	(13)
Total Congressional Adjustments (Undistributed)	(47)
4. FY 1999 Appropriated Amount	16,362
5. Price Change	32
6. Total Program Increases	0

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Activity Group: Other Logistics Programs

III. Financial Summary (O&M: \$ in Thousands):

C. Reconciliation of Increases and Decreases (Continued):

7. Total Program Decreases		(32)
8. Revised FY 1999 Current Estimate		16,362
9. Price Growth		588
10. Functional Transfers-In		
JTAVO from Army DCSLOG	21,364	
Total Functional Transfer-In		21,364
11. Functional Transfers-Out		0
12. Program Increases		0
DMEA Rpgming of P, D-W RDTE to O&M, D-W	1,000	
Total Program Increases		1,000
13. Program Decreases		
a. DMEA QDR Implementation	(503)	
b. Decrease in BPRC Other Contracts	(130)	
Total Decreases		(633)
14. FY 2000 Budget Request		38,681

IV. Performance Criteria and Evaluation Summary: N/A

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Activity Group: Other Logistics Programs

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 98/99</u>	<u>Change</u> <u>FY 99/00</u>
<u>Active Mil End Strength (E/S)(Total)</u>	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	150	169	169	19	0
US Direct Hire	150	169	169	19	0
Foreign National Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Direct Hire	150	169	169	19	0
(Reimbursable Civilians-Memo)	0	0	0	0	0
<u>Active Mil FTE (Total)</u>	0	0	0	0	0
<u>Civilian Workyears (Total)</u>	148	169	169	21	0
US Direct Hire	148	169	169	21	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	148	169	169	21	0
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians-Memo)	0	0	0	0	0

DEFENSE LOGISTICS AGENCY
Operations and Maintenance, Defense-Wide
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Budget Activity 4

Activity Group: Other Logistics Programs

VI. OP-32 Line Items as Applicable (\$ in Thousands):

		<u>FY 1998</u>	<u>Price</u>	<u>Program</u>	<u>FY 1999</u>	<u>Price</u>	<u>Program</u>	<u>FY 2000</u>
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
101	Exec, Gen & Spec Schedule	10,633	362	1,689	12,684	533	114	13,331
103	Wage Board	49	2	0	51	2	0	53
199	Total Civ Per Comp	10,682	364	1,689	12,735	535	114	13,384
308	Travel of Persons	250	3	0	253	4	751	1,008
399	Total Travel	250	3	0	253	4	751	1,008
678	Defense Security Svc	69	0	0	69	1	0	70
699	Total Purchases	69	0	0	69	1	0	70
912	Rent to GSA (SLUC)	0	0	0	0	0	146	146
914	Purch Commo (non-fund)	21	0	0	21	0	0	21
915	Rents (non-GSA)	6	0	0	6	0	0	6
920	Sup & Matls (non-fund)	97	1	0	98	1	100	199
922	Equip Maint by Cont	1,111	12	0	1,123	17	0	1,140
923	Fac Maint by Contract	250	3	0	253	4	0	257
925	Equip Purch (non-fund)	214	2	0	216	3	1,615	1,834
934	Contract Engr & Tech Service	800	9	0	809	12	0	821
989	Other Contracts	1,505	17	(742)	780	11	19,004	19,795
999	Total Other Purch	4,004	44	(742)	3,306	48	20,865	24,219
	TOTAL	15,005	411	947	16,363	588	21,730	38,681

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Activity Group: Environmental Restoration

I. Description of Operations Financed:

The Environmental Restoration Appropriation, established by Congress in FY 1984, funds environmental programs for Installation Restoration Projects at DoD sites. These resources are used for achieving and maintaining compliance with the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act of 1986, and the National Contingency Plan. The Defense Environmental Restoration Program (DERP) provides centralized management for the cleanup of DoD hazardous waste sites. DLA utilizes the Defense Environmental Restoration Account to support the goals of the DERP. DLA operates the Installation Restoration Program (IRP) to achieve this mission.

IRP operations financed include a comprehensive program to identify, investigate and clean up contamination from hazardous substances, pollutants, and contaminants at active DLA sites as well as formerly-owned or used properties and Potentially Responsible Party sites (third-party sites) where DLA is named as a responsible party; and removal actions upon discovery of an imminent threat.

II. Force Structure: N/A

III. Financial Summary (O&M: \$ in Thousands)

	FY 1998	FY 1999				FY 2000
		Budget			Current	
A. <u>Subactivity Group:</u>	<u>Actuals</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>	
Total	21,057	0	0	0	0	0

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Activity Group: Environmental Restoration

III. Financial Summary (O&M: \$ in Thousands) (Continued):

B. <u>Reconciliation Summary:</u>	Change	Change
	FY 1999/FY 1999	FY 1999/FY 2000
Baseline Funding	0	0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfer	0	0
Program Changes	0	0
Current Estimate	0	0

IV. Performance Criteria Summary: N/A

V. Personnel Summary: N/A

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Activity Group: Environmental Restoration

OP-32 Line Items as Applicable (Dollars in Thousands):

	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Travel of Persons	723	8	(731)	0	0	0	0
TOTAL TRAVEL	723	8	(731)	0	0	0	0
DLA Managed Supplies and Materials 1	0	(1)	0		0	0	
GSA Managed Supplies and Materials	18	0	(18)	0	0	0	0
TOTAL FUND SUPPLIES & MATERIALS PURCHASES	19	0	(19)	0	0	0	0
Commercial Transportation	10	0	(10)	0	0	0	0
TOTAL TRANSPORTATION	10	0	(10)	0	0	0	0
Supplies & Materials (non-Fund)	122	1	(123)	0	0	0	0
Other Contracts	20,183	222	(20,405)	0	0	0	0
TOTAL OTHER PURCHASES	20,305	223	(20,528)	0	0	0	0
TOTAL	21,057	231	(21,288)	0	0	0	0

DEFENSE LEGAL SERVICES AGENCY
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I. Description of Operations Financed:

The Defense Legal Services Agency (DLSA) provides legal services to the Office of the Secretary of Defense, Department of Defense Field Activities, and the Defense Agencies. The largest component of DLSA, the Defense Office of Hearings and Appeals (DOHA) adjudicates numerous types of cases that arise from all Military Departments and Defense Agencies. See IV below. This activity is a Budget Activity 4, Administration and Service-Wide Activities program.

All customary expenses required to operate a government activity are financed, including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

II. Financial Summary (O&M: \$ in thousands):

A. <u>Activity Group:</u>	FY 1998 <u>Actual</u>	FY 1999			FY 2000 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	
1. DLSA HQ	1,906	1,801	1,801	1,801	2,126
2. DOHA	<u>6,812</u>	<u>7,226</u>	<u>6,938</u>	<u>6,938</u>	<u>7,357</u>
Total	8,718	9,027	8,739	8,739	9,483
B. <u>Reconciliation Summary:</u>					
		Change		Change	
		<u>FY 1999/ FY 1999</u>		<u>FY 1999/FY 2000</u>	
Baseline Funding		9,027		8,739	
Congressional Adjustments		-18		0	
Price Change		11		365	

DEFENSE LEGAL SERVICES AGENCY
Operation and Maintenance, Defense-Wide
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Functional Transfer	-270	268
Program Changes	-11	111
Current Estimate	8,739	9,483

II. Financial Summary (O&M: \$ in thousands) (continued):

C. Reconciliation of Increases & Decreases:

1. FY 1999 President's Budget		9,027
2. Congressional Adjustments (Distributed)		-0-
3. Congressional Adjustments (Undistributed)		
a. DRI Savings	-7	
b. Revised Economic Assumptions	-5	
c. Congressional Earmark Billpayer	-6	
Total Other Congressional Adjustments		-18
5. FY 1999 Appropriated Amount		9,009
6. Total Transfers-In		-0-
7. Functional Transfers-Out		
a. Pentagon Renovation Transfer Fund	-270	
Total Transfers-Out		-270
8. Price Change		
a. Civilian Pay Increases	20	

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b. Non-pay Inflation	-4	
c. Revised Economic Assumptions	-5	
 Total Price Change		 11
 9. Program Increases		 -0-

II. Financial Summary (O&M: \$ in thousands) (continued):

10. Program Decreases		
a. Miscellaneous contracts: DLSA will decrease its purchased contracts.	-11	
 Total Program Decreases		 -11
 11. Revised FY 1999 Current Estimate		 8,739
 12. Transfers-In		
a. PRMRF Purchases: Increase attributable to functional transfer of Pentagon Renovation from the Pentagon Renovation Transfer Fund (PRTF).	268	
 Total Transfers-In		 268
 12. Price Growth		 365
 13. Program Increases		
a. Miscellaneous contracts: Increase is attributable to		

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relocation of Columbus office, including cost of move and new furnishings; increased litigation expenses associated with overseas litigation, including temporary duty travel and experts and consultant support; increased cost of interservice support agreements for Massachusetts, California, and Ohio offices; and Implementation of DRI-related initiatives. 383

b. PRMRF Purchases: Increase is attributable to FY 2000 PRMRF furniture payments in support of the Pentagon Renovation Project. 5

Total Program Increases 388

II. Financial Summary (O&M: \$ in thousands) (continued):

14. Program Decreases
a. Three (3) FTE - Personnel downsizing -277
Total Program Decreases -277
15. FY 2000 Budget Request 9,483

III. Performance Criteria and Evaluation Summary:

The Defense Legal Services Agency (DLSA) provides legal Services to the staff elements of the Office of the Secretary of Defense and the Defense Agencies. DLSA's activities include providing opinions and counseling on legal compliance issues affecting policy formulation and implementation; participation in developing the Department's legislative program, including

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drafting legislation and comments; negotiations on behalf of DoD clients with private entities and other Government agencies; ensuring proper use of Government funds and property; adherence to ethical standards; and participation in contractual matters. The Defense Office of Hearings and Appeals (DOHA), the largest component of DLSA, provides hearings and issues decisions in personnel security clearance cases for contractor personnel doing classified work for all DoD components and 20 other Federal Agencies and Departments and conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving the special education programs of the Department of Defense's overseas and domestic school systems, and CHAMPUS payment for medical services. DOHA also functions as a central clearing house for DoD-alternative dispute resolution activities and as a source of third party neutrals for such activities. DOHA also adjudicates various financial claims including, but not limited to, claims related to uniform services members' pay, allowances, travel, transportation, retired pay, and survivor benefits; claims by transportation carriers for amounts collected from them for loss and damage incurred to property incident to shipment at Government expense; claims for proceeds of sale of unclaimed property coming into the custody or control of the Army, Navy, Air Force or Coast Guard; and petitions for waiver of debts owed by employees to the Government. DLSA is evaluated on the basis of the quality and timeliness of its myriad of services; adherence to the American Bar Association and Department of

III. Performance Criteria and Evaluation Summary (continued):

Defense ethical standards; the professional independence, impartiality and competence exhibited by its attorneys; and its overall responsiveness to the needs of its clients.

<u>Workload:</u>	<u>FY 1998</u> <u>Actual</u>	<u>FY 1999</u> <u>Estimate</u>	<u>FY 2000</u> <u>Estimate</u>
Cases Reviewed	13,800	13,825	13,850

DEFENSE LEGAL SERVICES AGENCY
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Hearing cases	785	790	795
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IV. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
<u>Active Military End-Strength (E/S)</u>				
Officer	1	2	2	0
Enlisted	<u>10</u>	<u>9</u>	<u>9</u>	<u>0</u>
Total	11	11	11	0
 <u>Civilian End Strength (Total)</u>				
U. S. Direct Hire	87	85	82	-3
 <u>Active Military Average Strength (A/S)</u>				
Officer	1	2	2	0
Enlisted	<u>10</u>	<u>9</u>	<u>9</u>	<u>0</u>
Total	11	11	11	0
 <u>Civilian FTEs (Total)</u>				
U. S. Direct Hire	88	85	82	-3

V. OP 32 Line Items As Applicable (Dollars in Thousands):

<u>Change from</u> <u>FY 1998/FY 1999</u>	<u>Change from</u> <u>FY 1999/FY 2000</u>
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	<u>FY 1998</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 1999</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2000</u> <u>Estimate</u>
Exec & General Schedules Comp.	7,494	256	-247	7,503	347	-277	7,573
Travel of Persons	204	2	-13	193	3	0	196
PRMRF Purchases	220	121	-282	59	0	273	332
Rent GSA (SLUC)	434	5	0	439	7	0	446
Purchased Communications	45	0	1	46	1	0	47
Supplies & Materials (Non-DBOF)	24	0	-9	15	0	0	15
Other Contracts	293	3	184	480	7	383	870
Other Costs	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>
 TOTAL	 8,718	 387	 -366	 8,739	 365	 379	 9,483

**DEPARTMENT OF DEFENSE DEPENDENT EDUCATION
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed:

The missions of the Department of Defense Dependents Education (DoDDE) programs are as stated below:

A. The Department of Defense Education Activity, comprised of the Department of Defense Dependents Schools (DoDDS) and the DoD Domestic Dependents Elementary and Secondary Schools (DDESS) has the mission to provide a world-class education program that inspires and prepares all students in military communities around the world to be successful and responsible citizens in a dynamic global environment by delivering a high quality educational program. In accomplishing its mission, DoDEA has developed a Community Strategic Plan (CSP) with goals and benchmarks to ensure high levels of student achievement. Further, the CSP reflects the national education initiatives and has served as a spring board for educational, funding, and organizational improvements in DoDEA. It has also been the catalyst for: change in the teaching and learning process; raising the standard of learning to ensure excellence; creating greater autonomy at the local level in devising methods and strategies to meet the standards; creating a common language for communication among all stakeholders; and creating greater accountability in support of reaching the expected outcomes. In accordance with the national education program initiatives funded in the FY 99 Appropriation Act for the Department of Education, the DoDEA budget requests funding to begin implementation of a full day kindergarten program in the overseas schools (a program currently exists in the DoD Domestic Dependent Elementary and Secondary Schools) and a program to reduce the pupil teacher ratio in grades 1 through 3 from 23 to 1 to 18 to 1. Full implementation of these programs will be phased in over the next six years. Additionally, this budget recognizes the national trend to provide summer school opportunities as a way to further enhance academic excellence by requesting funding for a 2 year summer school pilot program.

DEPARTMENT OF DEFENSE DEPENDENT EDUCATION
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed (Continued):

(1) The Department of Defense Dependents Schools (DoDDS) operates 154 schools located in Bahrain, Belgium, Brussels, Germany, Great Britain, Italy, Japan, Korea, Okinawa, Panama, Spain, and Turkey. DoDDS diverse curriculum offerings fully support the DoDEA Community Strategic Plan (CSP) and the National Education Goals (NEG).

(2) The DoD Domestic Dependents Elementary and Secondary Schools, (DDESS) operates 70 schools located in Alabama, Georgia, Kentucky, New York, North Carolina, South Carolina, Virginia, Puerto Rico and Guam. In addition, DDESS manages six special arrangement contracts with local school districts for which funds are provided for payment of tuition or transportation for children attending the local public schools. These arrangements are located in Delaware, Kansas, Massachusetts, New York and Oregon. DDESS diverse curriculum offerings fully support the DoDEA Community Strategic Plan (CSP) and the National Education Goals (NEG).

(3) The Department of Defense Education Activity provides counsel to the Under Secretary of Defense (Personnel and Readiness) on matters relating to the Dependents Education Activity programs.

B. The Family Advocacy mission is to:

(1) Establish, develop, and maintain comprehensive programs for the prevention, identification, and treatment of child and spouse abuse.

(2) Raise professional awareness of military family violence; to foster cooperation among the Services and between military and civilian agencies; and to enhance multidisciplinary approaches for addressing the problems associated with family violence.

(3) Collect and analyze abuse incident data.

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I. Description of Operations Financed (Continued):

(4) Evaluate prevention and treatment programs.

(5) Develop standards for joint-Service efforts.

(6) Develop multidisciplinary coordinated communities approaches that build strong and resourceful individuals, couples and families, to ensure the safety for all members of the community.

C. The Transition Assistance/Relocation Programs mission under the National Defense Authorization Act of FY 1991 (Public Law 101-510) requires the Secretary of Defense to:

(1) Establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs under the authority of the National Defense Authorization Act for FY 1993 (Public Law 102-484).

(2) Provide employment assistance to separating Service members and their spouses.

**DEPARTMENT OF DEFENSE DEPENDENT EDUCATION
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed (Continued):

(3) The National Defense Authorization Act (Public Law 101-189) requires the establishment of a DoD Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition.

D. The Department of Defense Troops to Teachers Program was officially established by Public Law 102-484 and was implemented on January 19, 1994. Under this program, military personnel, and Department of Defense (DoD) and Energy (DoE) civilian employees affected by the military "drawdown" have the opportunity to begin a new career in public education. The Defense Activity for Non-Traditional Education Support, DANTES, located in Pensacola, Florida was designated program management responsibility. There are several major aspects to the program. First, DANTES provides an information resource to help participants identify those school districts that are experiencing teacher shortages and to identify opportunities to earn teacher certification through alternative routes. Second, financial support in the form of a stipend up to \$5,000 may be available to participants depending on when application and selection to the program was made. A financial grant of up to \$50,000 may be awarded to school districts that hire Troops to Teachers participants. (Funding in support of the stipend and grant provisions of the program ended on September 30, 1995). Applicants who applied after September 30, 1995 and who wish to participate, (along with the funded participants) are provided placement assistance and referral services. Both funded and unfunded participants have access to the Troops to Teachers "internet" Home Page that provides a myriad of informational material including, but not limited to, application forms, eligibility criteria, vacancy announcements, the names and addresses of the 20 State Placement Assistance Offices, as well as the names and phone numbers of the DANTES program staff members, etc. An Internet Job Referral process has been implemented allowing participants to search for teacher positions and school district officials to search the participant data base for potential teachers. Centralized administration of the program is being phased out. After FY 1999, service members will be provided information about teaching opportunities through base education centers and transition offices.

DEPARTMENT OF DEFENSE DEPENDENT EDUCATION
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**DEPARTMENT OF DEFENSE DEPENDENT EDUCATION
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II. Force Structure Summary:

A. Department of Defense Dependents Education

1. Department of Defense Dependent Schools (DoDDS)

The Department of Defense Dependents Schools (DoDDS) enrollment declines slightly between FY 1999 and FY 2000 as military forces in Panama withdraw troops, in conjunction with the Panama Canal Treaty. This budget is based on the assumption that Panama will close.

2. Department of Defense Domestic Dependent Elementary and Secondary Schools (DDESS)

The Department of Defense domestic Dependent Elementary and Secondary Schools (DDESS) enrollment increases between FY 1999 and FY 2000 as military forces move from Panama to Puerto Rico. This budget is based on the assumption that troop movement resulting from Panama closure will materialize.

Beginning in FY 99, staffing standards were developed and applied which ensured equitably staffed education programs throughout the DDESS system. Full implementation of the staffing standards took into consideration the Department's policy with regard to the computation of full time equivalents (FTEs) for full-time employees (such as school teachers) that work other than the standard 40 hour 52 week workyear. The computation takes the total number of straight time hours divided by the number of compensable hours applicable to each fiscal year and allows for additional compensable hours for staff development and training. The FTEs included in this budget for DDESS are computed consistent with the methodology that has been used to compute DoDDS FTEs.

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II. Force Structure Summary (Continued):

B. Family Advocacy Program

The Family Advocacy Program (FAP), consists of funding allocations for each of the Military Services and the Defense Logistics Agency for use in their Family Advocacy Programs including New Parent Support Programs; and the headquarters support staff which consists of 7 civilians, 1 military, and the Military Family Resource Center contract. The majority of funding is distributed to the Military Services for program costs to provide high quality FAP prevention and treatment services at the installation level. Along with the cost of salaries and benefits for the headquarters support staff, the budget also includes all normal expenses required to operate a federal activity. Included among these expenses are items such as official travel, communications, office space rental, office supplies and equipment, printing and reproduction, and contractual services. Besides the personnel costs, this budget includes funding for the DoD Family Advocacy Command Assistance Team deployments for out-of-home allegations of child sexual abuse in DoD-sanctioned activities, and operation of the DoD Hotline for reporting allegations of child abuse or safety violations within military child care settings.

C. Transition Assistance Program

Transition and relocation services are provided to all separating military personnel and their families. Relocation assistance is provided for active duty permanent change of station moves. Funding will maintain staffing at 237 transition and 291 relocation sites worldwide. These programs are funded at minimum levels. Funding supports program service delivery, training, marketing, overseas job fairs, and veteran's counselors. Funds will be used to develop and maintain databases and other required automation support. Initiatives include an operational Internet Web site for the Defense Outplacement Referral System (DORS), Transition Bulletin Board (TBB), the Standard Installation Topic Exchange Service (SITES), a public Web site providing general relocation information and a personal financial management Web site for relocation and transition service members.

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II. Force Structure Summary (Continued):

D. Troops to Teachers Program

Troops to Teachers supports separating or retiring service members and DoD civilian employees to begin new careers in public education as teachers or teacher's aides. Assistance is provided in determining certification requirements, locating teacher certification programs, and employment opportunities. To increase the acceptance of Troops to Teachers participants, the program is promoted among public schools educators, state departments of education, teacher education institutions, state boards of education and other stakeholders in public education. Twenty State Placement Assistance Offices have been established to provide participants assistance to understand and meet state certification requirements, identify and eliminate barriers to certification, promote the program among local education agencies, and identify employment opportunities. The final year (FY 1999) of funding for the Troops To Teachers Program was used to: manage the funds (\$135 Million) obligated during FY 1994 and FY 1995, maintain a process to ensure five year obligations were fulfilled by participants, maintain and manage the applicant database, counsel participants, market the program to the public education community, participate in job fairs, participate in base transition conferences, maintain a teacher vacancy data base, develop and maintain an Internet Job Referral process and maintain an Internet Home Page.

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III. Financial Summary (O&M: \$ In Thousands):

A. <u>Defense Agency/Activity Group</u>	FY 1998	Amended FY 1999			FY2000
	<u>Actual</u>	<u>Budget</u> <u>Request</u>	<u>Appropriation</u>	<u>Current</u> <u>Estimate</u>	<u>Estimate</u>
Overseas Dependents Schools	821,816	869,112	856,326	846,242	870,960
DoD Domestic Dependent Elementary	319,341	305,949	348,549	360,153	336,784
Family Advocacy Program	115,162	116,180	125,418	125,502	114,327
Transition Assistance Program	54,045	55,677	55,311	55,311	54,838
Troops To Teachers	1,828	800	799	799	
Total	1,312,192	1,347,718	1,386,403	1,388,007	1,376,909
B. <u>Reconciliation Summary:</u>					
		<u>Change</u>		<u>Change</u>	
		<u>FY 1999/FY 1999</u>		<u>FY 1999/FY 2000</u>	
Baseline Funding		1,347,718		1,388,007	
Congressional Adjustments (Distributed)		40,135			
Congressional Adjustments (Undistributed)		(1,450)			
Foreign Currency		1,251		14,779	
Price Change		(1,597)		41,742	
Program Change		1,950		(67,619)	
Current Estimate		1,388,007		1,376,909	

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

1.	FY 1999 President's Budget		1,347,718
	Congressional Adjustments (Distributed)		
	Impact Aid	35,000	
	Repairs to Federally Funded Schools	10,000	
	New Parent Support	8,000	
	Family Counseling and Crisis Service	2,000	
	Desiccant Demo	1,250	
	Math Teacher Leadership	400	
	Foreign Currency	(8,594)	
	Earmarks	(1,035)	
	Economic Adjustment	(1,833)	
	Total Maintenance Contract	(3,850)	
	DRI (Sec 8105 Savings)	(1,203)	
	Total Congressional Adjustments (Distributed)		40,135
	Congressional Adjustments (Undistributed)		
	Underexecution of Civilian Pay	(1,450)	
	Total Other Congressional Adjustments (Undistributed)		(1,450)
2.	FY 1999 Appropriated Amount		1,386,403

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

3. Functional Transfers		
4. Price Change		(346)
Foreign Currency	1,251	
Inflation	(1,597)	
5. Program Increases		3,562
Hurricane George	1,604	
Increase DDESS equipment purchases	244	
Increase FAP Youth Counseling Program	1,047	
Increase TAP Financial Management Initiative	656	
Increase Troops to Teachers Financial Management Initiative	11	
6. Program Decreases		(1,612)
Decrease DoDDS facility maintenance	(1,612)	
7. Revised FY 1999 Current Estimate		1,388,007
8. Functional Transfer-Out		(100)
Transfer funding to the Air Force for the establishment of DoD Computer Forensics Laboratory and Training Program.	(100)	
9. Price Growth		56,526
1. Teachers Pay Raise (FY 2000)	18,875	
2. Special Schedule Pay Raise (FY 2000)	7,860	
3. SES/GS/WB Pay Raise (FY 2000)	4,824	
4. DHFN/IHFN Pay Raise (FY 2000)	480	
5. Annualization FY 1999 Pay Raise	1,322	
6. Foreign Currency Rate Difference	14,779	
7. Inflation	8,386	

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

10. Program Increases

43,973

1. Education Initiatives

15,121

In accordance with the President's Educational Initiatives to provide enhanced learning opportunities in the early years, program increases are associated with the implementation of a full day Kindergarten program, reduced pupil teacher ratios and a summer school pilot program (DoDDS: \$9,730, +28 FTEs and DDESS: \$5,391, +58 FTEs).

2. Educational Program Enhancements

6,506

Redistribution of 91 FTEs supports educational program enhancements in the following areas: Educational Reading Initiative, Small School Supplement, Unit School Assistant Principal, Service Learning, Reading Recovery in Framework Schools, Framework School Initiative, Area Middle Grades Initiative, and School Nurses (DoDDS 91 FTEs).

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

3.	Repair and Maintenance The program increase in repair and maintenance supports the P: initiative to improve the learning environment by building and modernizing. schools (DoDDS: \$2,231, DDESS: \$3,688).	5,919
4.	Textbook Implementation Buys Program increases are associated with the textbook implementation buys for Health and Physical Education, Math and educational books and kits to support the reduced PTR and Full Day Kindergarten programs. (DoDDS: \$5,000, DDESS \$3,417).	8,417
5.	Civilian Pay Pay increases results from an additional paid day for teachers in FY 2000 (DoDDS: \$2,070).	2,070
6.	Puerto Rico Program increases result from the movement of military forces from Panama to Puerto Rico and subsequent enrollment increases (DDESS: \$5,792, +48 FTEs).	5,792
7.	Defense Finance and Accounting Increase associated with DFAS workload and rate changes (DoDDS: \$148).	148

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

11. Program Decreases		(111,497)
1. Panama Closure	(32,032)	
Program decreases in personnel, travel and transportation, communications, printing, utilities, facility maintenance, supplies and equipment are associated with closure of schools in Panama in accordance with the Panama Canal Treaty (DoDDS: -\$32,032, -346 FTEs).		
2. Civilian Personnel	(7,139)	
Enrollment change resulting in staffing changes (DoDDS: -\$5,791,-81 FTEs and DDESS: -\$1,348, -22 FTEs).		
3. President's Technology Initiative	(5,075)	
Program decrease is associated with the completion of the President's Technology Initiative (DoDDS: -\$5,075).		
4. Repair and Maintenance	(11,778)	
Reductions associated with a one-time increase for Repairs to Federal Schools (DDESS: -\$10,150) and Repairs to schools as a result of damage caused by Hurricane George (DDESS: -\$1,628).		
5. Impact Aid	(35,525)	
Reduction associated with a one-time increase for Impact Aid (DDESS: -\$35,525).		
6. McClellan Closure	(3,305)	
Program decreases in personnel, travel and transportation, communications, utilities, facility maintenance, supplies and equipment are associated with the closure of schools at Ft. McClellan (DDESS: -\$3,305, -60 FTEs).		
7. Defense Finance and Accounting Service	(1,449)	

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III. Financial Summary (O&M: \$ In Thousands):

C. Reconciliation: Increases and Decreases:

Decrease associated with DFAS workload and rate charges (DDESS: -\$1,449).		
8. Transition Assistance Program	(1,310)	
Decrease in program automation requirements (TAP: -\$1,310).		
9. Family Advocacy Program	(2,923)	
Decrease in Youth Counseling Programs (FAP: -\$2,923).		
10. New Parent Support and Family Counseling	(10,150)	
Program reduction associated with one-time funding increase (FAP: -\$10,150)		
11. Troops to Teachers	(811)	
Five-year program funding expired in FY 1999 (-\$811).		
12. FY 2000 Budget Request		1,376,909

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IV. Performance Criteria and Evaluation Summary:

A. The Department of Defense Dependents Education Activity (DoDEA) program provides for the education of DoD dependents overseas and domestic schools. Enrollment is as follows:

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>
Special Education	7,044	1,112	1,084
Sure Start	568	1,000	1,300
Prekindergarten	3,367	3,247	3,279
Kindergarten	12,098	11,470	11,232
Grades 1 through 12	89,940	94,071	92,361
Contract Schools	2,902	1,894	1,894
Junior College	227	265	0
Non-DoDDS School	<u>2,083</u>	<u>2,100</u>	<u>2,100</u>
Total	118,229	115,159	113,250
	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>
Number of Schools: Includes Panama College in FY 98/99 only.	231	232	224

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IV. Performance Criteria and Evaluation Summary (Continued):

B. The Military Family Resource Center (MFRC)/Family Advocacy Program (FAP)

In FY95, the FAP/MFRC worldwide support of military family advocacy efforts increased in the areas of providing these services through a joint-Service program and comprehensive family violence education and prevention programs. Funds for FY 2000, will be used to continue to assist families who have experienced maltreatment, and attempts will be made to reduce case-load per provider. As the Department of Defense experiences transition and turbulence related to increased PERSTEMPO, the stress and potential for violence will greatly increase. The FAP is established and structured to handle this form of violence, and current funding will support the Department's efforts to meet that requirement. "At-risk" families identified early through outreach initiatives such as New Parent Support programs have a much better prognosis for improving their coping behaviors and adaptation to multiple stressors, including increased PERSTEMPO. However, shortfalls in funding for outreach programs may result in less early identification of "at-risk" families, which is likely to result in an increase in the number of incidents reported that have to be served in the more costly core FAP programs.

Performance Criterion #1: Rate of substantiated child abuse per 1000 child family members and rate of substantiated spouse abuse per 1000 families. The rates of abuse provide measures of effectiveness of FAP child abuse and spouse abuse prevention efforts. All substantiated FAP child abuse and spouse abuse reports are recorded and entered into an automated FAP central registry, maintained by Defense Manpower Data Center (DMDC). DMDC provides annual data on the number of child family members and spouses.

Goal for FY00: Rate of substantiated child abuse incidents of 7/1000 child family members and rate of substantiated spouse abuse incidents of 15/1000 families. The FY94 civilian rate of child abuse was 15.5/1000. There is no comparable civilian rate of spouse abuse. The most recent DoD rate is shown below:

	CHILD ABUSE	SPOUSE ABUSE
FY 1997	7.6	22.0

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IV. Performance Criteria and Evaluation Summary (Continued):

Performance Criterion #2: Measure of severity of abuse as rated by Case Review Committee at time of substantiation. This is an indirect measure of prevention effectiveness. The severity scales are fields in the form DD 2486, which must be completed for every child abuse and spouse abuse report. Aggregate data is available from the central registry of FAP child abuse and spouse abuse reports, maintained for FAP by DMDC.

Goal for FY00: 67% of substantiated child abuse and spouse abuse reports will be rated as "mild" in severity; 95% will be rated as "mild" or "moderate" in severity.

Performance Criterion #3: Measure of recidivism. This will be a measure of FAP intervention and treatment effectiveness. This measure is under development, and will be incorporated into the new child abuse and spouse abuse data system as entered into the central registry. The current system counts cases, which may include more than one incident of abuse by the same abuser against the same victim, and there has been a lack of uniformity among the Services in closing cases.

Goal for FY00: Less than 10% substantiated recidivism in both child abuse and spouse abuse.

Performance Criterion #4: Customer and stakeholder satisfaction with FAP services. The measures for this are under development. Tentative plans include surveys of victims and alleged abusers and their unit commanders at the time treatment is ended, surveys of participants in prevention programs, and periodic surveys of installation commanders to assess overall satisfaction with the FAP at their installation.

Goal for FY00: Development of the surveys.

Performance Criterion #5: Cost effectiveness of FAP. This measure is under development. A preliminary model for estimating the cost effectiveness was developed in 1989. However, the model is being refined to incorporate increased costs and the findings of several studies that affect the data of active duty personnel time spent in receiving FAP intervention and treatment services. In addition, survey instruments or interviews with personnel may be needed to refine the data.

Goal for FY00: Refine the cost effectiveness model and develop any needed survey instruments.

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IV. Performance Criteria and Evaluation Summary (Continued):

C. Transition Assistance:

The National Defense Authorization Act of FY 1991 (Public Law 101-510) required the Secretary of Defense to provide employment assistance to separating service members and their spouses. The National Defense Authorization Act for FY 1993 (Public Law 102-484) broadened DoD's responsibility to establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs. Transition programs provide departing military members the knowledge, skills, and self-confidence to successfully complete in the civilian sector.

Evaluation Summary: P.L. 101-510 specifically mandates that preseparation counseling be provided to all military members being discharged or released from active duty. It further mandates that ten specific areas must be addressed as part of preseparation counseling.

Performance Criterion #1:

a. To measure the effectiveness of some of the mandates identified in P.L. 101-510. It's obvious that Congress felt that these mandates are important, therefore, they should be tracked and measured.

b. The FY 2000 TAP measurements will be targeted at two specific mandates. The first mandate is the percentage of departing military personnel receiving preseparation counseling within 90 days. The second mandate is the percentage of departing military personnel receiving relocation assistance.

Performance Criterion #2:

a. Preseparation Counseling to Departing Military Personnel. The benchmark for FY 2000 is that 60% or more of all departing military personnel should receive preseparation counseling. This benchmark takes into consideration that many depart the military in less than 90 days because of: (1) failure to complete basic training, (2) dishonorable discharge, (3) other than honorable conditions, (4) unprogrammed retirements, (5) immediate medical discharge, (6) hardship discharge, and (7) a discharges from remote and isolated sites. In measuring this benchmark the

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Performance Criterion #2:

a. Preseparation Counseling to Departing Military Personnel. The benchmark for FY 2000 is that 60% or more of all departing military personnel should receive preseparation counseling. This benchmark takes into consideration that many depart the military in less than 90 days because of: (1) failure to complete basic training, (2) dishonorable discharge, (3) other than honorable conditions, (4) unprogrammed retirements, (5) immediate medical discharge, (6) hardship discharge, and (7) a discharges from remote and isolated sites. In measuring this benchmark the above mentioned items should not be counted as part of the measurement.

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IV. Performance Criteria and Evaluation Summary (Continued):

b. Relocation Assistance to Departing Military Personnel. The benchmark for FY 2000 is that separations would account for at least 1/4 of all relocation moves. This benchmark would indicate that a substantial number of relocation moves are as a result of military members transitioning out of the service. Further, that this particular mandate is a required service and must be continued.

D. Relocation Assistance:

The Relocation Assistance Program (RAP) provides information, counseling/planning and settling-in assistance to counter the effects of poor relocation decisions based on a lack of information. Military families report that relocation is one of the most stressful aspects of military life and that lack of information and knowledge about the process creates serious family problems. In addition, the Department anticipates an increase in the number of first-term service members and families who will need relocation services prior to future relocations.

Evaluation Summary: Public Law 101-189 requires DoD to establish a Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition moves.

Performance Criterion #1: Target RAP services to those categories of customers using RAP services who are most likely to encounter severe relocation programs. These categories include:

- a. first-term personnel and their families (Enlisted and Officer with less than three years of service).
- b. first move with family (spouse and/or children)
- c. first move to or from overseas

This measure indicates the level of effectiveness in reaching the primary target populations with direct service.

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IV. Performance Criteria and Evaluation Summary (Continued):

Goal for FY00: Collect data to establish a baseline rate. Depending on baseline measurement, increase percentage over three years until 60% of all direct RAP services are provided to target populations.

Performance Criterion #2: Increase awareness by RAP customers of the financial requirements for relocation, resulting in improved personal financial preparedness for the move.

Goal for FY00: Establish baseline. Increase percent of customers who receive financial management planning assistance, report an increase in knowledge of financial requirements and a decrease in unexpected out-of-pocket expenses. (This data is being collected in AF Needs Assessment.)

E. Troops To Teachers Program:

The number of applications received has slowed over the Fiscal Year due to information circulation throughout the military that Troops to Teachers will cease operations at the end of Fiscal Year 1999. Despite the decrease of applications, the number of placements continues to grow with approximately 730 placements between January 1998 and January 1999. The total number of placements will increase as information is received over the next nine months from school districts hiring Troops to Teachers participants. Placement and referral assistance will continue through Fiscal Year 1999 to help individuals gain employment for the 1999/2000 school year. Fiscal management of funds to support stipends and incentive grants will be required for the entire Fiscal Year and over the next four Fiscal Years. The following workload indicators are submitted:

Applicants Processed (cumulative)		Hired (cumulative)	
8/95:	9,103	8/95:	536
8/96:	11,944	8/96:	1,337
12/97:	13,966	12/97:	2,549
9/98:	14,776	9/98:	3,033
1/00:	15,000	1/00:	3,055

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VIPersonnel Summary:

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Estimate</u>
<u>Civilian End Strength (Total)</u>	16,877	16,784	16,427
U.S. Direct Hire	16,288	16,189	15,960
Foreign National Direct Hire	270	249	121
Total Direct Hire	16,558	16,438	16,081
Foreign National Indirect Hire (Reimbursable)	319	346	346
 <u>Civilian FTEs (Total)</u>	 13,275	 13,429	 13,145
U.S. Direct Hire	12,779	12,953	12,771
Foreign National Direct Hire	216	199	97
Total Direct Hire	12,995	13,152	12,868
Foreign National Indirect Hire (Reimbursable)	280	277	277
 <u>Active Military End Strength (Total)</u>	 1	 1	 1
Officer (Navy)			
Officer (AF)	1	1	1
(Reimbursable)			
 <u>Active Military FTEs (Total)</u>	 1	 1	 1
Officer (Navy)			
Officer (AF)	1	1	1
(Reimbursable)			

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VI. OP32 Line Items as Applicable (Dollars in Thousands)

<u>Summary of Price and Program Changes:</u>	Foreign				Foreign				
	FY 1998	Currency	Price	Program	FY 1999	Currency	Price	Program	FY 2000
	<u>Actual</u>	<u>Rate Diff.</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate Diff.</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
SES, General & Special Schedules	725,302		26,472	13,917	765,691		32,312	(10,035)	787,968
Wage Board	13,182		458	(40)	13,600		569	(128)	14,041
Foreign National Direct Hire (FNDH)	5,103		169	(401)	4,871		104	(2,496)	2,479
Benefits to Former Employees	252		8	(20)	240		5	(124)	121
Travel of Persons	81,431	(2,098)	896	(65)	80,164	5,959	1,202	(171)	87,154
Army Managed Supplies and Materials	257		20		277		4	1	282
Navy Managed Supplies and Materials	180		(10)		170		(7)		163
Air Force Managed Supplies and Materials	170		1		171		7		178
GSA Managed Supplies and Materials	1,061		12		1,073		16		1,089
Army Fund Equipment	187		14		201		3		204
Air Force Fund Equipment	138		1		139		6		145
GSA Managed Equipment	996		11	(1)	1,006		15		1,021
Defense Financing & Accounting Services	4,954		183	1,159	6,296		94	(1,291)	5,099
AMC Cargo (Working Capital Fund)	11		1		12			1	13
MSC Cargo (Working Capital Fund)	14,873		(1,309)	(244)	13,320		(346)	(995)	11,979
MTMC (CONUS-Port Handling-Working Capital Fund)	6		(2)		4		4	(5)	3
Commercial Transportation	2,222	(101)	24		2,145	286	32	(4)	2,459
Foreign Nat'l Indirect Hire (FNIH)	8,202		292	(88)	8,406		370		8,776
Rental Payments to GSA (SLUC)	2,462		27		2,489		37		2,526
Purchased Utilities (Non-fund)	18,892	(189)	206	205	19,114	539	287	(1,753)	18,187
Purchased Communications (Non-fund)	6,675	(149)	73	1	6,600	425	99	(131)	6,993
Rents (Non-GSA)	17,701	(302)	195	(4,707)	12,887	858	193	750	14,688
Postal Services (N.S.P.S.)	363		4	(1)	366		5		371
Supplies and Materials (Non-fund)	37,088	(56)	408	15	37,455	163	562	8,214	46,394
Printing and Reproduction	2,178	(31)	24	(58)	2,113	90	32	(95)	2,140
Equipment Maintenance by Contract	17,913	(355)	197		17,755	1,292	266		19,313
Facility Maintenance by Contract	95,980	(1,265)	1,056	(11,477)	84,294	3,230	1,264	(6,253)	82,535
Equipment Purchases (Non-fund)	29,215	(434)	321	9,107	38,209	1,488	573	(2,425)	37,845
Contract Studies and Analysis	204		2	107	313		5	(70)	248
Contract Engineering and Technical Services by Contract				59	59		1	(1)	59
Contract Professional & Mgmt Svcs	117		1	56	174		3		177
Grants				35,000	35,000		525	(35,525)	
Other Contracts	224,877	(224)	2,474	6,266	233,393	449	3,500	(15,083)	222,259
Total	1,312,192	(5,204)	32,229	48,790	1,388,007	14,779	41,742	(67,619)	1,376,909

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
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I. Description of Operations Financed:

The mission of the Department of Defense Domestic Dependent Elementary and Secondary Schools (DDESS) program is to:

A. Provide a world-class educational program that inspires and prepares all students in the military communities in the US, Guam and Puerto Rico to be successful and responsible citizens in a dynamic global environment by delivering high quality educational programs. In accomplishing its mission, DoDEA looks to the national education initiatives in education to continually enhance its programs. The DoD Domestic Dependents Elementary and Secondary Schools (DDESS) operates 70 schools located in Alabama, Georgia, Kentucky, New York, North Carolina, South Carolina, Virginia, Puerto Rico and Guam. In addition, DDESS manages six special arrangement contracts with local school districts for which funds are provided for payment of tuition or transportation for children attending the local public schools. These arrangements are located in Delaware, Kansas, Massachusetts, New York and Oregon. DDESS diverse curriculum offerings fully support the DoDEA Community Strategic Plan (CSP) and the National Education Goals (NEG).

B. Provide counsel to Under Secretary of Defense (Personnel and Readiness) on matters relating

II. Forced Structure Summary:

Department of Defense Domestic Dependent Elementary and Secondary Schools (DDESS)

The enrollment increases between FY 1999 and FY 2000 as military forces move from Panama to Puerto Rico. This budget is based on the assumption that troop movement resulting from Panama closure will materialize.

Beginning in FY 99, staffing standards were developed and applied which ensured equitably staffed education programs throughout the DDESS system. Full implementation of the staffing standards took into consideration the Department's policy with regard to the computation of full time equivalents (FTEs) for full-time employees (such as school teachers) that work other than the standard 40 hour 52 week workyear. The computation takes the total number of straight time hours divided by the number of compensable hours applicable to each fiscal year and allows for additional compensable hours for staff development and training. The full time equivalent estimates (FTEs) included in this budget for DDESS are computed consistent with the methodology that has been used to compute DoDDS FTEs.

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

II Financial Summary (O&M: \$ In Thousands):

A. <u>Defense Agency/Activity Group</u>	FY 1998	FY 1999		Current	FY2000
	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>
DoD Domestic Dependent Elementary and Secondary Schools	319,341	305,949	348,549	360,153	336,784
Total	319,341	305,949	348,549	360,153	336,784
B. <u>Reconciliation Summary:</u>					
		Change		Change	
		<u>FY 1999/FY 1999</u>		<u>FY 1999/FY 2000</u>	
Baseline Funding		305,949		360,153	
Congressional Adjustments (Distributed)		43,928			
Congressional Adjustments (Undistributed)		(1,328)			
Price Change		(244)		11,748	
Program Change		11,848		(35,117)	
Current Estimate		360,153		336,784	

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

1. FY 1999 President's Budget		305,949
Congressional Adjustments (Distributed)		
Impact Aid	35,000	
Repairs to Federally Funded Schools	10,000	
Economic Adjustment	(552)	
DRI (Section 8105 Savings)	(282)	
Earmarks	(238)	
Total Congressional Adjustments (Distributed)		43,928
Congressional Adjustments (Undistributed)		
Underexecution of Civilian Pay	(1,328)	
Total Other Congressional Adjustments (Undistributed)		(1,328)
2. FY 1999 Appropriated Amount		348,549
3. Functional Transfers		
4. Price Changes		(244)
Inflation	(244)	
5. Program Increases		11,848
Storm Damage Antilles District (Hurricane George)	1,604	
Reprogram from DoDDS to DDESS	10,000	
Increase equipment purchases	244	

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

6. Program Decreases		
7. Revised FY 1999 Current Estimated		360,153
8. Price Growth		11,748
A. Special Schedules Pay Raise (FY 2000)	7,860	
B. SES/GS/WB Pay Raise (FY 2000)	1,460	
C. Annualization of FY 1999 Pay Raise	400	
D. Inflation	2,028	
9. Program Increases		18,288
A. Educational Initiatives	5,391	
In accordance with the President's Educational Initiatives to provide enhanced learning opportunities in the early years, program increases are associated with the implementation of reduced pupil teacher ratio and summer school pilot programs (+58 FTEs).		
B. Repair and Maintenance	3,688	
The program increase in repair and maintenance supports the President's initiative to improve the learning environment by building and modernizing schools.		

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

C. Textbook Implementation Buys	3,417
Program increases are associated with the textbook implementation buys for Health and Physical Education, Math and educational books and kits to support the reduced PTR program.	
D. Puerto Rico	5,792
Program increases result from the movement of military forces from Panama to Puerto Rico and subsequent enrollment increases (+48 FTEs).	
10 Program Decreases	(53,405)
A. Repair and Maintenance	
Reduction associated with a one-time increase for Repairs Federal Schools (LEAs) (10,150)	
Reduction associated with a one-time increase for repairs as a result of damage caused by Hurricane George (1,628)	

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

- | | |
|--|----------|
| B. Impact Aid | (35,525) |
| Reduction associated with a one-time increase for Impact Aid. | |
| C. Civilian Personnel | (1,348) |
| Enrollment changes resulting in staffing changes (-22 FTEs). | |
| D. McClellan Closure | |
| Program decreases in personnel, travel and transportator (3,305) | |
| utilities, facility maintenance, supplies and equipment are associated | |
| with the closure of schools at Ft. McClellan (-60 FTEs). | |
| E. Defense Finance and Accounting Services | (1,449) |
| Decrease associated with the Defense Finance and Accounting Services | |
| workload charges and rate changes. | |

11 FY 2000 Budget Request

336,784

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary:

The Department of Defense Domestic Dependent Elementary and Secondary Schools program provides for the education of DoD Dependents in Stateside Schools. Enrollment is as follows:

	FY 1998 <u>Actual</u>	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>
Special Education	480	287	287
Pre-Kindergarten	3,133	3,131	3,131
Kindergarten	4,257	4,118	4,183
Grades 1 through 12	26,900	26,727	27,327
Contract Schools	2,902	1,894	1,894
	<hr/>	<hr/>	<hr/>
Total	37,672	36,157	36,822
	FY 1998 <u>Actual</u>	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>
Number of Schools:	70	71	70

DoD DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS
 Operation and Maintenance, Defense-Wide
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V. Personnel Summary:

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Civilian End Strength (Total)</u>	4,881	5,532	5,561
U.S. Direct Hire	4,881	5,532	5,561
Foreign National Direct Hire			
Total Direct Hire	4,881	5,532	5,561
Foreign National Indirect Hire (Reimbursable)			
 <u>Civilian FTEs (Total)</u>	 4,272	 4,425	 4,449
U.S. Direct Hire	4,272	4,425	4,449
Foreign National Direct Hire			
Total Direct Hire	4,272	4,425	4,449
Foreign National Indirect Hire (Reimbursable)			

**DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

I. Description of Operations Financed:

The mission of the Department of Defense Dependents Schools program to:

A. Provide a world class educational program that inspires and prepares all students in military communities around the world to be successful and responsible citizens in a dynamic global environment by delivering high quality educational programs. In accomplishing its mission, DoDEA looks to the national education initiatives to continually enhance its programs. The Department of Defense Dependents School (DoDDS) operates 154 schools located in Bahrain, Belgium, Brussels, Germany, Great Britain, Italy, Japan, Korea, Okinawa, Panama, Spain, and Turkey. DoDDS diverse curriculum offerings fully support the DoDEA Community Strategic Plan (CSP) and the National Education Goals (NEG).

B. Provide counsel to the Under Secretary of Defense (Personnel and Readiness) on matters relating to the Dependents Schools Program.

II. Force Structure Summary:

Overseas Dependents Schools

The Overseas Dependents Schools enrollment declines slightly between FY 1999 and FY 2000 as military forces in Panama withdraw troops, in conjunction with the Panama Canal Treaty. This Budget Estimate Submission is based on the assumption that Panama will close.

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands):

	FY 1998	<u>Amended FY 1999</u>			FY 2000
		Budget		Current	
A. <u>Defense Agency/Activity Group</u>	<u>Actual</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>	<u>Estimate</u>
Overseas Dependents Schools	821,816	869,112	856,326	846,242	870,960
Total	821,816	869,112	856,326	846,242	870,960

B. Reconciliation Summary:

	<u>Change</u>	<u>Change</u>
	<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>
Baseline Funding	869,112	846,242
Congressional Adjustments (Distributed)	(12,664)	
Congressional Adjustments (Undistributed)	(122)	
Foreign Currency	1,251	14,779
Price Change	361	27,252
Program Change	(11,696)	(17,313)
Current Estimate	846,242	870,960

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

1. FY 1999 President's Budget		869,112
Congressional Adjustments (Distributed)		
Desiccant Demo	1,250	
Math Teacher Leadership	400	
Foreign Currency	(8,594)	
Total Maintenance Contract	(3,850)	
DRI (Sec. 8105)	(766)	
Earmarks	(663)	
Economic Adjustment	(441)	
Total Congressional Adjustments (Distributed)		(12,664)
Congressional Adjustments (Undistributed)		
Underexecution of Civilian Pay	(122)	
Total Other Congressional Adjustments (Undistributed)		(122)
2. FY 1999 Appropriated Amount		856,326
3. Functional Transfers		
4. Price Changes		1,612
Foreign Currency	1,251	
Inflation	361	

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

5. Program Increases		
6. Program Decreases		(11,696)
Reprogram to DoDDS	(10,000)	
Reprogram to FAP	(84)	
Decrease facilities maintenance	(1,612)	
7. Revised FY 1999 Current Estimate		846,242
8. Functional Transfer-Out		(100)
Transfer of funding to the Air Force for the establishment DoD Computer Forensics Laboratory and Training Program.	(100)	
9. Price Growth		42,031
A. Teachers Pay Raise (FY 2000)	18,875	
B. SES/GS/WB Pay Raise (FY 2000)	3,336	
C. DHFN/IHFN Pay Raise (FY 2000)	480	
D. Annualization FY 1999 Pay Raise	914	
E. Foreign Currency Rate Difference	14,779	
F. Inflation	3,647	

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

10. Program Increases		25,685
A. Educational Initiatives	9,730	
In accordance with the President's Educational Initiatives to provide enhanced learning opportunities in the early years, program increases are associated with the implementation of a full day Kindergarten program, reduced pupil teacher ratios and a summer school pilot program.		
B. Educational Program Enhancements	6,506	
Redistribution of 91 FTEs supports educational program enhancements in the following areas: Educational Reading Initiative, Small School Supplement, Unit School Assistant Principal, Service Learning, Reading Recovery in Framework School Initiative, Area Middle Grade Initiative and School Nurses.		
C. Repair and Maintenance	2,231	
The program increase in repair and maintenance supports the President's initiative to improve the learning environment by building and modernizing schools.		

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

D. Text Book Implementation Buys	5,000
Program increases are associated with the text book implementation buys for Health, Math, Physical Education, and educational books and kits to support the reduced PTR and Full Day Kindergarten programs.	
E. Civilian Pay Increases	2,070
Pay increases result from an additional payday for teachers in FY 2000 plus a change in the mix of employees.	
F. Defense Finance and Accounting	148
Increase associated with Defense Finance and Accounting workload and rate changes.	
11. Program Decreases	(42,898)
A. Panama Closure	(32,032)
Program decreases in personnel, travel and transportation, communications, printing, utilities, facility maintenance, supplies and equipment are associated with the closure of schools in Panama in accordance with the Panama Canal Treaty.	
B. Civilian Personnel	(5,791)
Enrollment change resulting in staffing changes -81 FTES.	

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands)

C. Reconciliation: Increases and Decreases:

C. President's Technology Initiative	(5,075)	
Program decrease is associated with the completion of the President's Technology Initiative.		
12. FY 2000 Budget Request		870,960

**DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

The Department of Defense Dependents Schools program provides for the education of DoD dependents overseas. Enrollment is as follows:

	FY 1998 <u>Actual</u>	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>
Special Education	6,564	825	797
Sure Start	568	1,000	1,300
Prekindergarten	234	116	148
Kindergarten	7,841	7,352	7,049
Grades 1 through 12	63,040	67,344	65,034
Junior College	227	265	0
Non-DoDDS School	<u>2,083</u>	<u>2,100</u>	<u>2,100</u>
Total	80,557	79,002	76,428

	FY 1998 <u>Actual</u>	FY 1999 <u>Actual</u>	FY 2000 <u>Estimate</u>
Number of Schools:	161	161	154

Includes Panama Canal College in FY 1998 and FY 1999 only.

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

V. Personnel Summary:

	FY 1998	FY 1999	FY 2000
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Civilian End Strength (Total)</u>	11,987	11,242	10,856
U.S. Actual	11,398	10,647	10,389
Foreign National Direct Hire	270	249	121
Total Direct Hire	11,668	10,896	10,510
Foreign National Indirect Hire (Reimbursable)	319	346	346
 <u>Civilian FTEs (Total)</u>	 8,994	 8,994	 8,686
U.S. Direct Hire	8,498	8,518	8,312
Foreign National Direct Hire	216	199	97
Total Direct Hire	8,714	8,717	8,409
Foreign National Indirect Hire (Reimbursable)	280	277	277

**DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

VI. OP 32 Line Items as Applicable (Dollars in Thousands):

Summary of Price and Program Changes:

	<u>Change FY 1998/1999</u>				<u>Change FY 1999/2000</u>				
	FY 1998 Actual	Foreign		Program Growth	FY 1999 Estimate	Foreign		Program Growth	FY 2000 Estimate
		Rate	Diff.			Currency	Price		
SES, General & Special Schedules	527,889		19,132	6,455	553,476		23,107	(12,424)	564,159
Wage Board	484		15	(40)	459		19		478
Foreign National Direct Hire (FNDH)	5,103		169	(401)	4,871		104	(2,496)	2,479
Separation Liability (FNDH)									
Benefits to Former Employees	252		8	(20)	240		5	(124)	121
Civilian Voluntary Separation Incentive Unemployment Compensation Per Diem									
Travel of Persons	70,730	(2,098)	778		69,410	5,959	1,041	(819)	75,591
Army Managed Supplies and Materials	204		16		220		4		224
Navy Managed Supplies and Materials									
Air Force Managed Supplies and Materials	157		1		158		6		164
GSA Managed Supplies and Materials	1,013		11		1,024		15		1,039
Army Fund Equipment	187		14		201		3		204
Navy Fund Equipment									
Air Force Fund Equipment	138		1		139		6		145
GSA Managed Equipment	951		10		961		14		975
Defense Financing & Accounting Services	2,454		91	888	3,433		51	148	3,632
AMC Cargo (Working Capital Fund)	11		1		12			1	13
AMC SAAM (Working Capital Fund)									
MSC Cargo (Working Capital Fund)	14,873		(1,309)	(244)	13,320		(346)	(1,995)	10,979
MTMC (CONUS-Port Handling-Working Capital)	6		(2)		4		4	(5)	3
Commercial Transportation	1,953	(101)	21		1,873	286	28		2,187
Foreign Nat'l Indirect Hire (FNIH)	8,202		292	(88)	8,406		370		8,776
Separation Liability									
Rental Payments to GSA (SLUC)	2,220		24		2,244		34		2,278
Purchased Utilities (Non-fund)	13,838	(189)	150	205	14,004	539	210	(1,725)	13,028
Purchased Communications (Non-fund)	5,860	(149)	64	1	5,776	425	87	(120)	6,168
Rents (Non-GSA)	8,006	(302)	88	(205)	7,587	858	114		8,559
Postal Services (N.S.P.S.)	344		4	(1)	347		5		352
Supplies and Materials (Non-fund)	26,096	(56)	287		26,327	163	395	4,620	31,505
Printing and Reproduction	1,686	(31)	19		1,674	90	25	(95)	1,694
Equipment Maintenance by Contract	14,801	(355)	163		14,609	1,292	219		16,120
Facility Maintenance by Contract	56,086	(1,265)	617	(4,270)	51,168	3,230	768	532	55,698
Equipment Purchases (Non-fund)	24,252	(434)	267	6,044	30,129	1,488	452	(2,811)	29,258
Other Overseas Purchases									
Contract Consultants									
Contract Studies and Analysis				69	69		1	(70)	
Contract Professional & Mgmt Svcs									
Grants									
Other Contracts	34,020	(224)	374	(69)	34,101	449	511	70	35,131
Foreign Currency Variance									
Other Costs									
Total	821,816	(5,204)	21,306	8,324	846,242	14,779	27,252	(17,313)	870,960

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed:

It is the mission of the Secretary of Defense to assist the Military Departments and Defense Agencies:

A. In their efforts to establish, develop, and maintain comprehensive programs for the prevention, identification, and treatment of child and spouse abuse.

B. In raising professional awareness of military family violence; to foster cooperation among the Services and between military and civilian agencies; and to enhance multidisciplinary approaches for addressing the problems associated with family violence.

C. In the collection and analysis of abuse incident data.

D. In the evaluation of prevention and treatment programs.

E. In the development of standards for joint-Service efforts.

F. In the development of multidisciplinary coordinated community approaches that build strong and resourceful individuals, couples and families, and to ensure the safety for all members of the community.

G. In cooperating with responsible civilian authorities in efforts to address problems associated with Family Advocacy.

II. Force Structure Summary:

The Family Advocacy Program (FAP), consists of funding allocations for each of the Military Services and the Defense Logistics Agency for use in their Family Advocacy Programs including New Parent Support Programs, and the Headquarters Support staff that consists of seven civilians, one military, and the Military Family Resource Center (MFRC) contract. The majority of funding is distributed to the Military Services for program costs to provide high quality FAP prevention and treatment services at the installation level. Along with the cost of salaries and benefits for the Headquarters Support staff, the budget also includes costs required to operate a federal activity. Included among these expenses are items such as official travel, communications, office space rental, office supplies and equipment, printing and reproduction, and contractual services. Besides the personnel costs, this budget includes funding for the DoD Family Advocacy Command Assistance Team deployments for out-of-home allegations of child sexual abuse in DoD-sanctioned activities, and operation of the DoD Hotline for reporting allegations of child abuse or safety violations within military child care settings.

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
 Operation and Maintenance, Defense-Wide
 FY 2000/2001 Biennial Budget Estimates

II Financial Summary (O&M: \$ In Thousands):

A. <u>Defense Agency/Activity Group</u>	FY 1998 <u>Actual</u>	Amended FY 1999			FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>	Current <u>Estimate</u>	
Family Advocacy Program	115,162	116,180	125,418	125,502	114,327
Total	115,162	116,180	125,418	125,502	114,327

B. Reconciliation Summary:

	Change <u>FY 1999/FY 1999</u>	Change <u>FY 1999/FY 2000</u>
Baseline Funding	116,180	125,502
Congressional Adjustments (Distributed)	9,238	
Congressional Adjustments (Undistributed)		
Price Change	(1,047)	1,898
Program Change	1,131	(13,073)
Current Estimate	125,502	114,327

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
 Operation and Maintenance, Defense-Wide
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III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

1. FY 1999 President's Budget		116,180
Congressional Adjustments (Distributed):		
New Parent Support	8,000	
Family Counseling	2,000	
Economic Adjustment	(565)	
DRI (Sec 8105 Savings)	(104)	
Congressional Earmarks (Indian Lands)	(93)	
Total Congressional Adjustments (Distributed)		9,238
Congressional Adjustments (Undistributed)		0
2. FY 1999 Appropriated Amount		125,418
3. Functional Transfers		
4. Price Change		(1,047)
Inflation	(1,047)	
5. Program Increases		1,131
Youth Counseling Program	1,047	
Reprogram from DoDDS	84	
6. Program Decreases		
7. Revised FY 1999 Current Estimate		125,502
8. Price Growth		1,898

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

SES/GS/WB Pay Raise (FY 2000)	19	
Annualization of FY 1999 Pay Raise	6	
Inflation	1,873	
9. Program Increases		0
10. Program Decreases		(13,073)
1. Family Advocacy Program	(2,923)	
Decrease in Youth Counseling Programs		
2. New Parent Support and Family Counseling	(10,150)	
Program reduction associated with one-time funding increase.		
11. FY 2000 Budget Request		114,327

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary

The Military Family Resource Center (MFRC)/Family Advocacy Program (FAP)

In FY95, the FAP/MFRC worldwide support of military family advocacy efforts increased in the areas of providing these services through a joint-Service program and comprehensive family violence education and prevention programs. Funds for FY 2000 will be used to continue to assist families who have experienced maltreatment, and attempts will be made to reduce case-load per provider. As the Department of Defense experiences transition and turbulence related to increased PERSTEMPO, the stress and potential for violence will greatly increase. The FAP is established and structured to handle this form of violence, and current funding will support the Department's efforts to meet that requirement. "At-risk" families identified early through outreach initiatives such as New Parent Support programs have a much better prognosis for improving their coping behaviors and adaptation to multiple stressors, including increased PERSTEMPO. However, shortfalls in funding for outreach programs may result in less early identification of "at-risk" families, which is likely to result in an increase in the number of incidents reported that have to be served in the more costly core FAP programs.

Performance Criterion #1: Rate of substantiated child abuse per 1000 child family members and rate of substantiated spouse abuse per 1000 families. The rates of abuse are some of the measures of effectiveness of FAP child abuse and spouse abuse prevention efforts. All substantiated FAP child abuse and spouse abuse reports are recorded and entered into an automated FAP central registry, maintained by Defense Manpower Data Center (DMDC). DMDC provides annual data on the number of child family members and spouses.

Goal for FY00: Rate of substantiated child abuse incidents of 7/1000 child family members and rate of substantiated spouse abuse incidents of 15/1000 families. The FY94 civilian rate of child abuse was 15.5/1000. There is no comparable civilian rate of spouse abuse. The most recent DoD rate is shown below:

	CHILD ABUSE	SPOUSE ABUSE
FY 1997	7.6	22.0

DEPARTMENT OF DEFENSE, FAMILY ADVACOCY PROGRAM
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

IV. Performance Criteria and Evaluation Summary (Cont'd)

Performance Criterion #2: Measure of severity of abuse as rated by Case Review Committee at time of substantiation. This is an indirect measure of prevention effectiveness. The severity scales are fields in the form, which must be completed for every child abuse and spouse abuse report. Aggregate data is available from the central registry of FAP child abuse and spouse abuse reports, maintained for FAP by DMDC.

Goal for FY00: 67% of substantiated child abuse and spouse abuse reports will be rated as "mild" in severity; 95% will be rated as "mild" or "moderate" in severity.

Performance Criterion #3: Measure of recidivism. This will be a measure of FAP intervention and treatment effectiveness. This measure is under development, and will be incorporated into the new child abuse and spouse abuse data system as entered into the central registry. The current system counts cases, which may include more than one incident of abuse by the same abuser against the same victim, and there has been a lack of uniformity among the Services in closing cases.

Goal for FY00: Less than 10% substantiated recidivism in both child abuse and spouse abuse.

Performance Criterion #4: Customer and stakeholder satisfaction with FAP services. The measures for this are under development. Tentative plans include surveys of victims and alleged abusers and their unit commanders at the time treatment is ended, surveys of participants in prevention programs, and periodic surveys of installation commanders to assess overall satisfaction with the FAP at their installation.

Goal for FY00: Development of the surveys.

Performance Criterion #5: Cost effectiveness of FAP. This measure is under development. A preliminary model for estimating the cost effectiveness was developed in 1989. However, the model is being refined to incorporate increased costs and the findings of several studies that affect the data of active duty personnel time spent in receiving FAP intervention and treatment services. In addition, survey instruments or interviews with personnel may be needed to refine the data.

Goal for FY00: Refine the cost-effectiveness model and develop any needed survey instruments.

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Performance Criterion #4: Customer and stakeholder satisfaction with FAP services. The measures for this are under development. Tentative plans include surveys of victims and alleged abusers and their unit commanders at the time treatment is ended, surveys of participants in prevention programs, and periodic surveys of installation commanders to assess overall satisfaction with the FAP at their installation.

Goal for FY00: Development of the surveys.

Performance Criterion #5: Cost effectiveness of FAP. This measure is under development. A preliminary model for estimating the cost effectiveness was developed in 1989. However, the model is being refined to incorporate increased costs and the findings of several studies that affect the data of active duty personnel time spent in receiving FAP intervention and treatment services. In addition, survey instruments or interviews with personnel may be needed to refine the data.

Goal for FY00: Refine the cost-effectiveness model and develop any needed survey instruments.

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V. Personnel Summary:

	FY 1998 <u>Actual</u>	FY 1999 <u>Estimate</u>	FY 2000 <u>Estimate</u>
<u>Civilian End Strength (Total)</u>	6	7	7
U.S. Direct Hire	6	7	7
Foreign National Direct Hire			
Total Direct Hire	6	7	7
Foreign National Indirect Hire (Reimbursable)			
<u>Civilian FTEs (Total)</u>	6	7	7
U.S. Direct Hire	6	7	7
Foreign National Direct Hire			
Total Direct Hire	6	7	7
Foreign National Indirect Hire (Reimbursable)			
<u>Active Military End Strength (Total)</u>	1	1	1
Officer (Army)			
Officer (AF)	1	1	1
<u>Active Military FTEs (Total)</u>	1	1	1
Officer (Army)			
Officer (AF)	1	1	1

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VI OP-32 line as Applicable (Dollars in Thousands)

	FY 1998 <u>Actual</u>	Change FY 1998/1999			FY 1999 <u>Estimate</u>	Change FY 1999/2000			FY 2000 <u>Estimate</u>
		Foreign Currency Rate Diff.	Price Growth	Program Growth		Foreign Currency Rate Diff.	Price Growth	Program Growth	
SES, General & Special Schedules	491		18	84	593		25		618
Travel of Persons	124		1	(65)	60		1		61
Defense Financing & Accounting Services	3			1	4		0	3	7
Rental Payments to GSA (SLUC)	83		1	0	84		1		85
Postal Services (N.S.P.S.)	1		0	(0)	1				1
Supplies and Materials (Non-fund)	6		0	11	17				17
Printing and Reproduction	58		1	(59)					
Equipment Maintenance by Contract	12		0	(0)	12				12
Equipment Purchases (Non-fund)	37		0	(37)					
Other Contracts	114,347		1,258	9,126	124,731		1,871	(13,076)	113,526
Total	115,162		1,279	9,061	125,502		1,898	(13,073)	114,327

DEPARTMENT OF DEFENSE, TROOPS TO TEACHERS PROGRAM
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed:

The Department of Defense Troops to Teachers Program was officially established by Public Law 102-484 and was implemented on January 19, 1994. Under this program, military personnel, and Department of Defense (DoD) and Energy (DoE) civilian employees affected by the military "drawdown" have the opportunity to begin a new career in public education. The Defense Activity for Non-Traditional Education Support, DANTES, located in Pensacola, Florida was designated to program management responsibility. There are several major aspects to the program. First, DANTES provides an information resource to help participants identify those school districts that are experiencing teacher shortages and to identify opportunities to earn teacher certification through alternative routes. Second, financial support in the form of a stipend up to \$5,000 may be available to participants depending on when application and selection to the program was made. A financial grant of up to \$50,000 may be awarded to school districts that hire Troops to Teachers participants. (Funding in support of the stipend and grant provisions of the program ended on September 30, 1995). Applicants who applied after September 30, 1995 and who wish to participate, (along with the funded participants) are provided placement assistance and referral services. Both funded and unfunded participants have access to the Troops to Teachers "internet" Home Page that provides a myriad of informational material including, but not limited to, application forms, eligibility criteria, vacancy announcements, the names and addresses of the 20 State Placement Assistance Offices, as well as the names and phone numbers of the DANTES program staff members, etc. An Internet Job Referral process has been implemented allowing participants to search for teacher positions and school district officials to search the participant data base for potential teachers. Centralized administration of the program is being phased out. After FY 1999, service members will be provided information about teaching opportunities through base education centers and transition offices.

II Force Structure Summary:

Troops to Teachers supports separating or retiring service members and DoD civilian employees to begin new careers in public education as teachers or teacher's aides. Assistance is provided in determining certification requirements, locating teacher certification programs, and employment opportunities. To increase the acceptance of Troops to Teachers participants, the program is promoted among public schools educators, state departments of education, teacher education institutions, state boards of education and other stakeholders in public education. Twenty State Placement Assistance Offices have been established to provide participants assistance to understand and meet state certification requirements, identify and eliminate barriers to certification, promote the program among local education agencies, and identify employment opportunities. The final year (FY 1999) of funding for the Troops To Teachers Program was used to: manage the funds (\$135 Million) obligated during FY 1994 and FY 1995, maintain a process to ensure five year obligations were fulfilled by participants, maintain and manage the applicant database, counsel participants, market the program to the public education community, participate in job fairs, participate in base transition conferences, maintain a teacher vacancy data base, develop and maintain an Internet Job Referral process and maintain an Internet Home Page.

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III. Financial Summary (O&M: \$ In Thousands):

A. <u>Defense Agency/Activity Group</u>	FY 1998 <u>Actual</u>	Amended FY 1999		Current <u>Estimate</u>	FY 2000 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>		
Troops To Teachers (TTT) Program	1,828	800	799	799	
Total	1,828	800	799	799	
B. <u>Reconciliation Summary:</u>			Change	Change	
			<u>FY 1999/FY 1999</u>	<u>FY 1999/FY 2000</u>	
Baseline Funding			800	799	
Congressional Adjustments (Distributed)			(1)		
Price Change			-11	12	
Program Change			11	(811)	
Current Estimate			799		

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III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

1. FY 1999 President's Budget			800
Congressional Adjustments (Distributed):			
Economic Adjustment	(1)		
Total Congressional Adjustments (Distributed)		(1)	
Congressional Adjustments (Undistributed)			0
2. FY 1999 Appropriated Amount			799
3. Functional Transfers			
4. Price Change		(11)	
Inflation	(11)		
5. Program Increases			11
Financial Management Initiatives	11		
6. Program Decreases			
7. Revised FY 1999 Current Estimate			799

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III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

8. Price Growth		12
SES/GS/WB Pay Raise (FY 2000)		
Annualization of FY 1999 Pay Raise		
Inflation	12	
9. Program Increases		0
10. Program Decreases		(811)
Troops To Teachers		
5-year program funding expired in FY 1999).	(811)	
11. FY 2000 Budget Request		0

DEPARTMENT OF DEFENSE, TROOPS TO TEACHERS PROGRAM
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IV. Performance Criteria and Evaluation Summary

The number of applications received has slowed over the Fiscal Year due to information circulation throughout the military that Troops to Teachers will cease operations at the end of Fiscal Year 1999. Despite the decrease of applications, the number of placements continues to grow with approximately 730 placements between January 1998 and January 1999. The total number of placements will increase as information is received over the next nine months from school districts hiring Troops to Teachers participants. Placement and referral assistance will continue through Fiscal Year 1999 to help individuals gain employment for the 1999/2000 school year. Fiscal management of funds to support stipends and incentive grants will be required for the entire Fiscal Year and over the next four Fiscal Years. The following workload indicators are submitted:

Applicants Processed (cumulative)

8/95: 9,103
8/96: 11,944
12/97: 13,966
9/98: 14,776
1/99: 15,344

Hired (cumulative)

8/95: 536
8/96: 1,337
12/97: 2,549
9/98: 3,033
1/99: 3,276

Participants Using Stipends and Grants

8/95: 1,178
8/96: 1,826
12/97: 2,506
9/98: 2,787
1/99: 3,142

School Districts Hiring Participants

8/95: 242
8/96: 800
12/97: 1,281
9/98: 1,550
1/99: 1,810

Comments from participants and school officials alike, are highly complimentary citing the high degree of professionalism, quality of service and support, from the Troops to Teachers staff. Surveys of school principals have found Troops to Teachers participants are rated well above average as new teachers with many receiving awards and recognition during their first year of teaching.

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V. OP32 Line Items as Applicable (Dollars in Thousands)

1. Summary of Price and Program Changes:

	Foreign			Foreign					
	FY 1998	Currency	Price	Program	FY 1999	Currency	Price	Program	FY 2000
	<u>Actual</u>	<u>Rate Diff.</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Rate Diff.</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Contract Professional & Mgmt Svcs									
Grants									
Other Contracts	1828		20	(1,049)	799		12	(811)	
Foreign Currency Variance									
Other Costs									
Total	1,828		20	(1,049)	799		12	(811)	

**DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
Operations and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates**

I. Description of Operations Financed:

The National Defense Authorization Act of FY 1991 (Public Law 101-510) required the Secretary of Defense to provide employment assistance to separating Service members and their spouses. The National Defense Authorization Act for FY 1993 (Public Law 102-484) broadened DoD's responsibility to establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs. The National Defense Authorization Act (Public Law 101-189) required the establishment of a DoD Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition moves.

II. Force Structure Summary:

Transition and relocation services are provided to all separating military personnel and their families. Relocation assistance is provided for active duty permanent change of station moves. Funding will maintain staffing at 237 transition and 291 relocation sites worldwide. These programs are funded at minimum levels. Funding supports program service delivery, training, marketing, overseas job fairs, and veteran's counselors. Funds will be used to develop and maintain databases and other required automation support. Initiatives include an operational Internet Web site for the Defense Outplacement Referral System (DORS), Transition Bulletin Board (TBB), the Standard

DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
Operations and Maintenance, Defense-Wide
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III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

1. FY 1999 President's Budget			55,677
2. FY 1999 Appropriated Amount			55,677
3. Functional Transfers			
4. Price Change		(656)	
Inflation	(656)		
5. Program Increases		656	
Financial Management Initiatives	656		
6. Program Decreases			
7. Revised FY 1999 Current Estimate			55,677

DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
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III. Financial Summary (O&M: \$ In Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

8. Price Growth		837
SES/GS/WB Pay Raise (FY 2000)	9	
Annualization of FY 1999 Pay Raise	2	
Inflation	826	
9. Program Increases		
10. Program Decreases		(1,310)
Transition Assistance Program	(1,310)	
Decrease in program automation requirements		
11. FY 2000 Budget Request		55,204

DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
Operations and Maintenance, Defense-Wide
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IV. Performance Criteria and Evaluation Summary:

A. Transition Assistance:

The National Defense Authorization Act of FY 1991 (Public Law 101-510) required the Secretary of Defense to provide employment assistance to separating service members and their spouses. The National Defense Authorization Act for FY 1993 (Public Law 102-484) broadened DoD's responsibility to establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs. Transition programs provide departing military members the knowledge, skills, and self-confidence to successfully complete in the civilian sector.

Evaluation Summary: P.L. 101-510 specifically mandates that pre-separation counseling be provided to all military members being discharged or released from active duty. It further mandates that ten specific areas must be addressed as part of pre-separation counseling.

Performance Criterion #1:

a. To measure the effectiveness of some of the mandates identified in P.L. 101-510. It's obvious that Congress felt that these mandates are important, therefore, they should be tracked and measured.

b. The FY 2000 TAP measurements will be targeted at two specific mandates. The first mandate is the percentage of departing military personnel receiving pre-separation counseling within 90 days. The second mandate is the percentage of departing military personnel receiving relocation assistance.

Performance Criterion #2:

a. Pre-separation Counseling to Departing Military Personnel. The benchmark for FY 2000 is that 60% or more of all departing military personnel should receive pre-separation counseling. This benchmark takes into consideration that many depart the military in less than 90 days because of: (1) failure to complete basic training, (2) dishonorable discharge, (3) other than honorable conditions, (4) unprogrammed retirements, (5) immediate medical discharge, (6) hardship discharge, and (7) a discharges from remote and isolated sites. In measuring this benchmark the above mentioned items should not be counted as part of the measurement.

b. Relocation Assistance to Departing Military Personnel. The benchmark for FY

**DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
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b. Relocation Assistance to Departing Military Personnel. The benchmark for FY 2000 is that separations would account for at least 1/4 of all relocation moves. This benchmark would indicate that a substantial number of relocation moves are as a result of military members IV. Performance Criteria and Evaluation Summary (Continued):

B. Relocation Assistance:

The Relocation Assistance Program (RAP) provides information, counseling/planning and settling-in assistance to counter the effects of poor relocation decisions based on a lack of information. Military families report that relocation is one of the most stressful aspects of military life and that lack of information and knowledge about the process creates serious family problems. In addition, the Department anticipates an increase in the number of first-term service members and families who will need relocation services prior to future relocations.

Evaluation Summary: Public Law 101-189 requires DoD to establish a Relocation Assistance Program to (RAP) to provide information and services during permanent change of station or transition moves.

Performance Criterion #1: Target RAP services to those categories of customers using RAP services who are most likely to encounter severe relocation programs. These categories include:

- a. first-term personnel and their families (Enlisted and Officer with less than three years of service.
- b. first move with family (spouse and/or children)
- c. first move to or from overseas

This measure indicates the level of effectiveness in reaching the primary target populations with direct service.

Goal for FY00: Collect data to establish a baseline rate. Depending on baseline measurement, increase percentage over three years until 60% of all direct RAP services are provided to target populations.

Performance Criterion #2: Increase awareness by RAP customers of the financial requirements for relocation, resulting in improved personal financial preparedness for the move.

Goal for FY00: Establish baseline. Increase percent of customers who receive financial management planning assistance, report an increase in knowledge of financial requirements and a decrease in unexpected out-of-pocket expenses. (This data is being collected in AF Needs

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V. Outyear Impact Summary:

		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
		<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
O&M (\$ Thousands)	#	55,255	56,084	56,970	57,722	59,049
Civilian End Strength		3	3	3	3	3

DEPARTMENT OF DEFENSE, TRANSITION ASSISTANCE PROGRAM
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OP-32 line as Applicable (Dollars in Thousands)

	<u>Change FY 1998/1999</u>				<u>Change FY 1999/2000</u>			
	FY 1998 <u>Actual</u>	Foreign		Program <u>Growth</u>	FY 1999 <u>Estimate</u>	Foreign		Program <u>Growth</u>
		<u>Rate</u>	<u>Diff.</u>			<u>Price</u>	<u>Rate</u>	
SES, General & Special Schedules	252		9	(0)	261		11	(0)
Travel of Persons	511		6	0	517		8	0
Defense Financing & Accounting Services	5			2	7			7
Postal Services (N.S.P.S.)	1		0	(0)	1		0	(0)
Supplies and Materials (Non-fund)	1		0	4	5		0	(0)
Other Contracts	53,275		586	659	54,520		818	(1,317)
Total	54,045		601	665	55,311		837	(1,310)

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FY 2000

Estimate

272

525

14

1

5

54,021

54,838

DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
FY 2000/2001 Biennial Budget Estimates

I. Description of Operations Financed:

The DPMO addresses DoD concerns in all areas pertaining to the POW/Missing Personnel issue. DPMO: (1) provides advice and assistance to the Under Secretary of Defense for Policy (USD(P)) and the Assistant Secretary of Defense for International Security Affairs (ASD(ISA)) on POW/Missing Personnel matters; (2) supports the USD(P) and the ASD(ISA) in the execution of their responsibilities to develop, coordinate and oversee the implementation of POW/Missing Personnel policy; (3) serves as the lead proponent for POW/Missing Personnel matters, including the policy and oversight within the DoD of the entire process for investigation and recovery related to missing persons (which includes matters related to search, rescue, escape, and evasion); (4) represents DoD in negotiations with foreign governments to achieve the fullest possible accounting of missing American servicemen and select civilians; (5) directs the collection and analysis of information concerning U.S. military and civilian personnel who are missing, imprisoned or unaccounted for; (6) declassifies DoD documents for disclosure and release in accordance with Title 5 United States Code Section 552 and 552a; Title 50 U.S. Code Section 435 Note and Executive Orders 12812 and 12958; (7) maintains channels of communication on POW/Missing Personnel matters among DoD, Congress, POW/Missing Personnel families, veterans organizations and the general public; (8) provides representational authority to established POW/Missing Personnel related interagency fora; and (9) prescribes uniform DoD procedures for determination of the status of missing personnel and for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to missing personnel.

1. Communications and External Affairs Directorate: The Communications and External Affairs Directorate is responsible for the publication of a weekly update to Congress, Families, National League of Families, Korean/Cold War Family Association of the Missing, National Alliance of Families, American Legion, Veterans of Foreign Wars and Vietnam Veterans of America. It is also available via the Internet where as many as 4,000 consumers per week access our site. The Family Support/Casualty Liaison Division conducts Family updates monthly in major metropolitan areas across the U.S. to keep family members well informed of DPMO efforts. Another area is the Declassification and Freedom of Information Act Division which is responsible for declassifying sensitive operational and intelligence reports, files, documents, records and other materials pertaining to unaccounted for United States service members. This effort grew largely in response to legislation passed in 1991 relating to the Vietnam War and amended in 1995 to include the Korean and Cold Wars.

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2. Plans and Policy Directorate: Plans and Policy provides support to the Secretary of Defense and his designated representatives on issues concerning Accounting and Personnel Recovery. The Directorate drafts and coordinates talking points for Vietnamese, Cambodian, Lao, and North Korean talks and negotiations; spearheads to office's strategic planning; and provides technical advise to foreign counterparts, such as the Tripartite Commission on Gulf War Missing resolving Kuwaiti, Saudi, and Iraqi unaccounted for.

3. U.S. Russia Joint Commission Support Directorate: DPMO supports the objectives of the U.S. Russia Joint Commission on POW/MIAs to ascertain the facts regarding American servicemen who were not repatriated and whose fate remains unresolved on the territory of the former Soviet Union, which include the search for information from the former Warsaw Pact countries of Central and Eastern Europe.

4. Research and Analysis Directorate: The Research and Analysis Directorate provides direct support to the ongoing joint recovery operations, which are allowing US personnel to return to North Korea for the first time since the cessation of hostilities to search battlefield locations, aircraft crash sites, mass burial locations, and POW camp cemeteries.

5. Operations Directorate: The Operations Directorate leads DoD's efforts to develop a coordinated personnel recovery effort. Working with the Services, Joint Staff, and Unified Commanders, they develop policy, oversee training doctrine, and equipment development to ensure the Department can use whatever means necessary to prepare its personnel before conflict and to obtain the release or the recovery of personnel from uncertain and hostile environments and denied areas.

6. Special Projects: In order to gain access to all available POW/MIA related information, the Special Projects Division conducts archival research throughout the U.S. and overseas. The Division identified more than 350 worldwide repositories and visited more than a dozen libraries and archival research facilities in the U.S. in an effort to obtain information concerning unaccounted-for U.S. personnel. In addition, contact has been made with foreign repositories in Europe, Australia, the Former Soviet Union, and countries in Asia. Positive negotiations with Laos and Cambodia will hopefully result in the U.S. gaining access to documents possibly related to unaccounted-for Americans from the Vietnam War.

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II. FORCE STRUCTURE SUMMARY: N/A

III. FINANCIAL SUMMARY (\$ in Thousands):

A. <u>Subactivity Group</u>	FY1998	FY 1999		Current	FY2000
	<u>Actuals</u>	<u>Budget</u>	<u>Request</u>	<u>Appropriation</u>	<u>Estimate</u>
1. Communications and External Affairs	429		440		450
2. Plans and Policy	265		403		550
3. U.S. Russia Joint Commission	1,142		1,195		1,214
4. Research and Analysis	276		442		449
5. Operations	177		300		350
6. Special Projects	448		476		485
7. Civilian Pay	6,323		6,126		5,790
8. Resource Management (Includes SLUC and overhead costs)	<u>4,685</u>		<u>4,728</u>		<u>5,217</u>
Total	13,745		14,110		14,505

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III. FINANCIAL SUMMARY (\$ in Thousands) (Continued):

B. <u>Reconciliation Summary:</u>	Change	Change
	<u>FY99/99</u>	<u>FY99/00</u>
Baseline Funding	14,110	14,065
Congressional Adjustments	-45	0
Supplemental Request	0	0
Price Change	28	374
Functional Transfer		
Program Changes	-28	66
Current Estimate	14,065	14,505
C. <u>Reconciliation: Increases and Decreases (O&M: \$ in Thousands):</u>		
FY 1999 President's Budget		14,110
Congressional Adjustments (Distributed)		0
Total Congressional Adjustments (Distributed)		0
Congressional Adjustments (Undistributed):		
Section 8105 - DRI Savings		-12
Section 8108 - Revised Economic Assumptions		-23
Congressional Earmarks		-10
Total Other Congressional Adjustments (Undistributed)		-45
FY 1999 Appropriated Amount		14,065
Price Change		28
Program Offset due to FY 1999 Price Change		-28
Revised FY 1999 Current Estimate		14,065
Price Change		374

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C. Reconciliation: Increases and Decreases (O&M: \$ in Thousands) (Continued):

Program Change	288
Program increases reflect additional Joint Recovery operations in North Korea, and development of a master plan for Personnel Recovery and Accounting.	
Civilian Personnel Downsizing	-222
Reflects loss of 4 FTE's	
FY 2000 President's Budget	14,505

IV. Performance Criteria Summary:

In 1996, the Secretary of Defense was mandated by Title 10, United States Code Section 1501 to establish an Office of Missing Persons. This legislation required the existing office (DPMO) to greatly expand the scope of its roles and responsibilities to include: establishment of comprehensive and uniform procedures for determining and updating the status of missing persons, their personnel files and contents; directs a review of cases dating to 2 September 1945, and requires that boards be appointed to investigate and establish the whereabouts and status of missing persons. Under the new requirements, the mission has expanded to encompass policy oversight of the personnel recovery process as well as the traditional POW/MIA accounting effort. This expanded mission and its subsequent impacts to policy will entail additional personnel, finances and other related resources.

DPMO, in conjunction with PACOM's Joint Task Force Full Accounting, the National Intelligence Community, other Defense and U.S. Governmental agencies, facilitates and investigates leads for all 2081 unaccounted for servicemen from the Vietnam War. The DoD Comprehensive Review of all cases, conducted in 1995, is a dynamic program using analysis, investigation, foreign and U.S. agency coordination, in order to resolve the remaining 2081 unaccounted for represented by 1350 loss cases. This analytical and investigative effort proved critical to providing the Secretary of Defense the necessary information that led to his decision to disinter the remains of the Vietnam Unknown buried in the Tomb of the Unknown Soldier in Arlington National Cemetery. The governments of Vietnam, Laos, and Cambodia have requested 523 requests for unilateral action by DPMO to investigate cases based

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on the results of case analysis and investigation conducted during the year. DPMO meets frequently with all three governments to provide feedback on unilateral work, give updated guidance and reiterate the importance of the effort. DPMO and JTF-FA have developed further pursuit mechanisms for these 1350 cases based on investigation results from the FY98 executed joint field activities.

DPMO continues to provide collection guidance to DoD/non-DoD intelligence collection agencies in an effort to determine the fate of unaccounted-for Americans from Southeast Asia. Additionally, DPMO has continued collection emphasis on Korean War related unaccounted-for cases. DPMO has completed review of 1,000 of 3,200 files containing Korean War POW debriefings for leads in resolving 8100+ unaccounted for American servicemen. Over 300 interviews of former prisoners of war and other veterans were conducted to improve the knowledge base for Korean War losses. Casualty files were created this year on 300 unaccounted for servicemen from the Korean War. Moreover, over 600 inquiries from Congress, veterans groups, and family members on losses from all wars were researched and answered.

The Director of DPMO meets regularly with North Korean officials to plan joint recovery operations to seek remains of unaccounted for American in North Korea. During 1998, DPMO oversaw five joint recovery operations in North Korea and only the second ever joint archival review of North Korean military war records. The year's excavations recovered the remains of 22 servicemen missing since 1950.

In compliance with 50 U.S. Code Section 435 Note, DPMO continues to declassify and release to the Library of Congress (LOC) information pertaining to the loss incidents of over 2,100 servicemen and civilians unaccounted for from the war in Southeast Asia. This information is used to inform the families, members of Congress, concerned citizens, and the general public of DoD efforts to achieve the fullest possible accounting of Vietnam-era unaccounted for soldiers and civilians. DPMO forwards an average of 25,000 pages per year of declassified material to the LOC to incorporate into the Vietnam-era collection.

The LoC collection contains over 850,000 pages of information associated with the loss incidents of more than 2,100 unaccounted-for Americans.

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DPMO supports the objectives of the U.S. Russia Joint Commission on POW/MIAs to ascertain the facts regarding American servicemen who were not repatriated and whose fate remains unresolved on the territory of the former Soviet Union, which include the search for information from the former Warsaw Pact countries of Central and Eastern Europe. Recent national attention was drawn to this mission with the burial in Arlington National Cemetery as a group of seventeen airmen whose C130 aircraft was shot down in Armenia during the Cold War. Documentation detailing the Joint Commission's activities is updated regularly and is accessible on-line through the Library of Congress.

DPMO continues to provide assistance to other countries to help them develop their POW/Missing Personnel accounting efforts. This effort is coordinated with our International Security Affairs regional counterpart, the State Department and the National Security Council when appropriate. DPMO has given support to Israel, Australia, Kuwait, Croatia, Finland, Russia, South Korea and the Netherlands. At the request of the Ambassador of Kuwait, DPMO

serves as technical advisor to the Kuwaiti delegation on the Tripartite Commission, which seeks to account for Kuwaiti and Saudi missing from the Gulf War.

DPMO is making great strides toward establishing its policy oversight responsibilities for personnel recovery matters. On June 30, 1997, the Deputy Secretary of Defense signed DoD Directive 2310.2 "Personnel Recovery," as promulgated by DPMO, which establishes DoD policy for this critical matter. DPMO's vision is to lead DoD's efforts to create a fully integrated PR architecture in DoD that ensures the recovery of U.S. personnel worldwide who are isolated in an operational environment. DoD must be capable of recovering through military means, U.S., allied, coalition, friendly military, paramilitary, and other designated personnel when directed, who are placed in danger of isolation, beleaguerment, detention, or capture as a result of hostile or non-hostile action. DoD's PR architecture must also support and complement the recovery of personnel through diplomatic or other means.

Communication within the Personnel Recovery Community, for which DPMO is the policy-lead, is a major challenge. Many agencies from throughout the Government, especially within DoD, are undertaking significant initiatives to improve the USG personnel recovery capabilities, but not everyone is aware of the various projects underway. Under the Missing Persons Act (MPA), paragraphs 1501(a)(1)(B), and (a)(2), DPMO is responsible for, "coordination for the

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Department of Defense with other departments and agencies of the United States on all matters concerning missing persons," and, "within DoD among the military departments, the Joint Staff, and the commanders of the combatant commands." It has undertaken several initiatives to enhance this coordination, including a series of conferences, visits to all combatant commands and agencies of the personnel recovery community, visits to observe personnel recovery exercises, publication of a bi-monthly personnel recovery newsletter, and an Internet home page.

DPMO sponsored the first DoD Personnel Recovery Conference at the US Army War College, Carlisle Barracks, PA in October 1997. It was so successful that DPMO is committed to convening such a conference annually; the next conference being October 6-8, 1998. The primary purpose of these conferences is to gather the senior leadership of DoD and the interagency community to focus on personnel recovery. More substantively, the conferences provide a venue to share and discuss experiences, views and ideas, providing an excellent forum to stimulate development of DoD strategies to improve and increase the Department's personnel recovery efforts.

In June 1998, DPMO convened the inaugural meeting of the Personnel Recovery Advisory Group (PRAG). The PRAG will continue to meet on a quarterly basis. The PRAG, chaired by the DASD (POW/Missing Personnel Affairs), is a policy advisory body composed of representatives of OSD, the Joint Staff, the DoD Intelligence Community, the Air Staff, the CIA, the U.S. Coast Guard, and the Department of State. It has a dual purpose, crisis support, and non-crisis policy-level planning. During crises involving personnel recovery incidents, the PRAG will meet as necessary to expeditiously develop coordinated policy options for the SecDef and NCA. As a non-crisis policy-level planning forum, the PRAG convenes to collaboratively develop, review, and recommend policy-level actions and initiatives to support achieving the DoD goal of having a fully integrated personnel recovery capability.

DPMO has also initiated a Personnel Recovery Response Cell (PRRC) exercise program that includes two to three scheduled and no-notice recalls of the PRRC annually. The function of the PRRC is to facilitate informed decision making by OSD principals. The PRRC will accomplish this by addressing issues impacting on the personnel recovery incident, and by expeditiously developing coordinated policy options for the SecDef and the NCA. In the event the USD(P) decides a PRRC is inappropriate, DPMO shall function as an operational coordination center in support of the OSD for evolving personnel recovery policy issues until the incident

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is resolved. The exercise program facilitates the readiness of the PRRC and ensures it meets the expressed needs of the USD(P).

V. Personnel Summary:

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change FY1999/FY200</u>
Active Military End Strength (Total)				
Officer	30	15	15	16*
Enlisted	<u>13</u>	<u>4</u>	<u>4</u>	<u>11*</u>
Total	43	19	19	27*
Civilian End Strength				
U.S. Direct Hire	82	78	74	-4
Civilian FTE's	82	78	74	-4

*Approval of additional 27 temporary military billets is pending in Office of the Secretary of Defense.

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VI. OP 32 Line Items as Applicable (Dollars in Thousands)

	FY98 Actuals	<u>Change FY98/FY99</u>		FY99 Estimate	<u>Change FY99/FY00</u>		FY00 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
Civ Pay	6,296	227	(396)	6,126	270	(222)	6,174
Travel	1,831	20	(188)	1,663	25	35	1,723
Rent	964	0	0	950	0	0	950
Communications	91	1	1	95	1	0	96
Supplies	54	1	137	192	3	160	355
Equipment	0	0	200	554	8	215	777
Other Contracts	4,509	50	268	4,485	67	(122)	4,430
TOTAL	13,745	298	22	14,065	374	66	14,505

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I. Narrative Description:

A. Activity Group 3: The Defense Nuclear Weapons School (DNWS) is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites, as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. The school provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter.

B. Activity Group 4: The Defense Special Weapons Agency (DSWA) serves as the DoD center for nuclear and advanced weapons effects expertise and performs essential missions in the areas of nuclear weapons stockpile support, nuclear effects research and operational support, and nuclear threat reduction to include arms control verification technology development. DSWA is responsible for providing a comprehensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance and verification of the Comprehensive Test Ban Treaty (CTBT). O&M funded resources support the personnel infrastructure and contractual support associated with operating and maintaining International Monitoring System (IMS) sensor stations. Additionally, DSWA supports other related defense needs including research and advanced development of capabilities needed for military responses to the proliferation of weapons of mass destruction (WMD). DSWA conducts independent force protection specific vulnerability assessments of DoD installations and sites to assist local commanders in identifying force protection deficiencies and determining appropriate remedies that will mitigate the effects of future terrorist incidents. As required, DSWA provides support to the Chairman of the Joint Chiefs of Staff and the Commanders of the Unified Combatant Commands in analyzing planning and action options for nuclear and other designated advanced weapons, to include weapon system lethality and operability, and force reconstitution. DSWA also provides base support functions for the Army's chemical munition demilitarization mission and other activities on Johnston Atoll.

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In his November 1997 *Defense Reform Initiative (DRI)*, the Secretary of Defense identified the challenges posed by weapons of mass destruction (WMD) as the greatest and most complex threats facing the Department of Defense in the future. To address these challenges, the Department has established the Defense Threat Reduction Agency (DTRA), effective October 1, 1998, as a key component in the DoD response to these challenges. Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to DTRA as a result of the November 1997 DRI.

II. Description of Operations Financed:

DNWS funding supports civilian salaries and benefits for the school's registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles from the protective clothing used at the DNWS contaminated field exercise site, classified storage igloos, weapons display area spares, new nuclear trainers and equipment, and for calibration services for all radiological survey instruments.

DSWA funding supports normal day-to-day operating expenses such as civilian salaries and benefits, travel, building rental, communications, utilities, supplies, equipment purchases, printing and reproduction and contractual services that support administration of mission efforts. Also included are costs of special aircraft missions, transportation, contractual services, and supplies to support the accident/Improvised Nuclear Device (IND) incident scenarios. Other costs relate to automatic data processing operations in support of nuclear weapons accounting and reporting.

III. Force Structure Summary: Not applicable.

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IV. Financial Summary (O&M: \$ in Thousands):

	1998	FY 1999		FY 2000	
		Budget	Current		
	<u>Actuals</u>	<u>Request</u>	<u>Approp</u>	<u>Estimate</u>	<u>Estimate</u>
A. <u>Activity Group 3:</u>					
DNWS	765			0	0
<u>Activity Group 4:</u>					
DSWA Total	89977			0	0
 GRAND TOTAL	 90742			 0	 0

V. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change
				<u>FY 1999/FY 2000</u>
<u>Active Military End Strength</u>				
<u>(E/S) (Total)</u>	316			
Officer	198			
Enlisted	118			
<u>Reserve Drill Strength (E/S)</u>				
<u>(Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active</u>				
<u>Duty (E/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian End Strength (Total)</u>	450			
U.S. Direct Hire	450			
Foreign National Direct Hire	0			
Total Direct Hire	450			
Foreign National Indirect				
Hire				
(Reimbursable Civilians Included Above (Memo))				
<u>Active Military Average Strength</u>				
<u>(A/S) (Total)</u>	316			
Officer	198			
Enlisted	118			

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	<u>FY 1998</u>	<u>FY1999</u>	<u>FY2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
V. <u>Personnel Summary (continued):</u>				
<u>Reserve Drill Strength (A/S)</u>				
<u>(Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active</u>				
<u>Duty (A/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian FTEs (Total)</u>	459			
U.S. Direct Hire	459			
Foreign National Direct Hire	0			
Total Direct Hire	459			
Foreign National				
Indirect Hire				
(Reimbursable Civilians Included Above (Memo))				

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VI. Summary of Price and Program Changes (\$ in Thousands)

Description	FY 1998 Program	Change FY1998/FY1999		FY 1999 Program
		FY1999 Price Growth	FY1999 Program Growth	
Executive, General and Special Schedule	32217	992	-33209	0
TOTAL CIVILIAN PERSONNEL COMP	32217	992	-33209	0
Travel of Persons	3801	42	- 3843	0
TOTAL TRAVEL	3801	42	- 3843	0
DFSC Fuel	778	- 68	- 710	0
GSA Managed Supplies and Materials	112	1	- 113	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCH	890	- 67	- 823	0
GSA Equipment	30	0	- 30	0
Communication Services (DISA)	1747	- 11	- 1736	0
Defense Finance & Accounting Services	1500	56	- 1556	0
TOTAL OTHER REVOLVING FUND PURCHASES	3247	45	- 3292	0
Commercial Transportation	470	5	- 475	0
Rental Payments to GSA	1711	0	- 1711	0
Purchased Utilities (non-DBOF)	781	9	- 790	0
Purchased Communications (non-DBOF)	2370	26	- 2396	0
Rents (non-GSA)	89	1	- 90	0
Postal Services (U.S.P.S.)	148	0	- 148	0
Supplies & Materials (non-DBOF)	2198	24	- 2222	0
Printing and Reproduction	7	0	- 7	0
Equipment Maintenance by Contract	1671	18	- 1689	0
Facility Maintenance by Contract	1665	18	- 1683	0
Equip Purchases (non-DBOF)	1953	21	- 1974	0
Studies, Analysis & Evaluations	416	5	- 421	0
Other Contracts	37078	408	-37486	0
TOTAL OTHER PURCHASES	50087	530	-50617	0
GRAND TOTAL	90742	1547	-92289	0

DEFENSE SPECIAL WEAPONS AGENCY
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Budget Activity 3/Subactivity Group: Defense Nuclear Weapons School

I. Description of Operations Financed: The Defense Nuclear Weapons School (DNWS) is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites, as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. The school provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter.

In his November 1997 *Defense Reform Initiative (DRI)*, the Secretary of Defense identified the challenges posed by weapons of mass destruction (WMD) as the greatest and most complex threats facing the Department of Defense in the future. To address these challenges, the Department has established the Defense Threat Reduction Agency (DTRA), effective October 1, 1998, as a key component in the DoD response to these challenges. Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to DTRA as a result of the November 1997 DRI.

DNWS funding supports civilian salaries and benefits for the school's registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles

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Budget Activity 3/Subactivity Group: Defense Nuclear Weapons School

I. Description of Operations Financed (Continued):

from the protective clothing used at the DNWS contaminated field exercise site, classified storage igloos, weapons display area spares, new nuclear trainers and equipment, and for calibration services for all radiological survey instruments.

II. Force Structure Summary: Not applicable.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1998	FY 1999			FY 2000
	<u>Actuals</u>	<u>Budget</u>	<u>Appropriation</u>	<u>Current</u>	<u>Estimate</u>
		<u>Request</u>		<u>Estimate</u>	<u>Estimate</u>
DNWS	765				

IV. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u>
				<u>FY 1999/FY 2000</u>
<u>Active Military End Strength</u>				
<u>(E/S) (Total)</u>	23			
Officer	9			
Enlisted	14			
<u>Reserve Drill Strength (E/S)</u>				
<u>(Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active</u>				
<u>Duty (E/S) (Total)</u>				
Officer				
Enlisted				

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		<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change <u>FY 1999/FY 2000</u>
IV.	<u>Personnel Summary (Continued):</u>				
	<u>Civilian End Strength (total)</u>	2			
	U.S. Direct Hire	2			
	Foreign National Direct Hire	0			
	Total Direct Hire	2			
	Foreign National Indirect Hire				
	(Reimbursable Civilian Included Above (Memo))				
	<u>Active Military Average Strength</u>				
	<u>(A/S) (Total)</u>	23			
	Officer	9			
	Enlisted	14			
	<u>Reserve Drill Strength (A/S)</u>				
	<u>(Total)</u>				
	Officer				
	Enlisted				
	<u>Reservists on Full Time Active</u>				
	<u>Duty (A/S) (Total)</u>				
	Officer				
	Enlisted				
	<u>Civilian FTEs (Total)</u>	3			
	U.S. Direct Hire	3			
	Foreign National Direct Hire	0			
	Total Direct Hire	3			
	Foreign National Indirect Hire				
	(Reimbursable Civilians Included Above (Memo))				

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V. Summary of Price and Program Changes (\$ in Thousands)

Description	Change FY1998/FY1999			FY 1999 Program
	FY 1998 Program	FY1999 Price Growth	FY1999 Program Growth	
Executive, General and Special Schedule	140	5	-145	0
TOTAL CIVILIAN PERSONNEL COMP	140	5	-145	0
Travel of Persons	84	1	- 85	0
TOTAL TRAVEL	84	1	- 85	0
Equipment Maintenance by Contract	29	0	- 29	0
Equip Purchases (non-DBOF)	68	1	- 69	0
Other Contracts	444	5	-449	0
TOTAL OTHER PURCHASES	541	6	-547	0
GRAND TOTAL	765	12	-777	0

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Budget Activity 4/Subactivity Group: Defense Special Weapons Agency

I. Description of Operations Financed: The Defense Special Weapons Agency (DSWA) serves as the DoD center for nuclear and advanced weapons effects expertise and performs essential missions in the areas of nuclear weapons stockpile support, nuclear effects research and operational support, and nuclear threat reduction to include arms control verification technology development. DSWA is responsible for providing a comprehensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance and verification of the Comprehensive Test Ban Treaty (CTBT). O&M funded resources support the personnel infrastructure and contractual support associated with operating and maintaining International Monitoring System (IMS) sensor stations. Additionally, DSWA supports other related defense needs including research and advanced development of capabilities needed for military responses to the proliferation of weapons of mass destruction (WMD). DSWA conducts independent force protection specific vulnerability assessments of DoD installations and sites to assist local commanders in identifying force protection deficiencies and determining appropriate remedies that will mitigate the effects of future terrorist incidents. As required, DSWA provides support to the Chairman of the Joint Chiefs of Staff and the Commanders of the Unified Combatant Commands in analyzing planning and action options for nuclear and other designated advanced weapons, to include weapon system lethality and operability, and force reconstitution. DSWA also provides base support functions for the Army's chemical munition demilitarization mission and other activities on Johnston Atoll.

In his November 1997 *Defense Reform Initiative (DRI)*, the Secretary of Defense identified the challenges posed by weapons of mass destruction (WMD) as the greatest and most complex threats facing the Department of Defense in the future. To address these challenges, the Department has established the Defense Threat Reduction Agency (DTRA), effective October 1, 1998, as a key component in the DoD response to these challenges. Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to DTRA as a result of the November 1997 DRI.

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Budget Activity 4/Subactivity Group: Defense Special Weapons Agency

I. Description of Operations Financed (Continued):

DSWA funding supports normal day-to-day operating expenses such as civilian salaries and benefits, travel, building rental, communications, utilities, supplies, equipment purchases, printing and reproduction and contractual services that support administration of mission efforts. Also included are costs of special aircraft missions, transportation, contractual services, and supplies to support the accident/Improvised Nuclear Device (IND) incident scenarios. Other costs relate to automatic data processing operations in support of nuclear weapons accounting and reporting.

II. Force Structure Summary: Not applicable.

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group</u>	FY 1999				FY 2000 <u>Estimate</u>
	<u>1998</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	<u>Approp</u>	<u>Current</u> <u>Estimate</u>	
DSWA Total	89977				

IV. <u>Personnel Summary:</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>Change</u> <u>FY 1999/FY 2000</u>
<u>Active Military End Strength</u>				
<u>(E/S) (Total)</u>	293			
Officer	189			
Enlisted	104			
<u>Reserve Drill Strength (E/S)</u>				
<u>(Total)</u>				
Officer				
Enlisted				

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Budget Activity 4/Subactivity Group: Defense Special Weapons Agency

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	Change <u>FY 1999/FY 2000</u>
IV. <u>Personnel Summary (Continued):</u>				
<u>Reservists on Full Time Active</u>				
<u>Duty (E/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian End Strength (Total)</u>	448			
U.S. Direct Hire	448			
Foreign National Direct Hire	0			
Total Direct Hire	448			
Foreign National Indirect Hire				
(Reimbursable Civilians Included Above (Memo))				
<u>Active Military Average Strength</u>				
<u>(A/S) (Total)</u>	293			
Officer	189			
Enlisted	104			
<u>Reserve Drill Strength (A/S)</u>				
<u>(Total)</u>				
Officer				
Enlisted				
<u>Reservists on Full Time Active</u>				
<u>Duty (A/S) (Total)</u>				
Officer				
Enlisted				
<u>Civilian FTEs (Total)</u>	456			
U.S. Direct Hire	456			
Foreign National Direct Hire				
Total Direct Hire	456			
Foreign National Indirect Hire				
(Reimbursable Civilians Included Above (Memo))				

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Budget Activity 4/Subactivity Group: Defense Special Weapons Agency

V. Summary of Price and Program Changes (\$ in Thousands)

Description	FY 1998 Program	Change FY1998/FY1999		FY 1999 Program
		FY1999 Price Growth	FY1999 Program Growth	
Executive, General and Special Schedule	32077	987	-33064	0
TOTAL CIVILIAN PERSONNEL COMP	32077	987	-33064	0
Travel of Persons	3717	41	- 3758	0
TOTAL TRAVEL	3717	41	- 3758	0
DFSC Fuel	778	- 68	- 710	0
GSA Managed Supplies and Materials	112	1	- 113	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCH	890	- 67	- 823	0
GSA Equipment	30	0	- 30	0
Communication Services (DISA)	1747	- 11	- 1736	0
Defense Finance & Accounting Services	1500	56	- 1556	0
TOTAL OTHER REVOLVING FUND PURCHASES	3247	45	- 3292	0
Commercial Transportation	470	5	- 475	0
Rental Payments to GSA	1711	0	- 1711	0
Purchased Utilities (non-DBOF)	781	9	- 790	0
Purchased Communications (non-DBOF)	2370	26	- 2396	0
Rents (non-GSA)	89	1	- 90	0
Postal Services (U.S.P.S.)	148	0	- 148	0
Supplies & Materials (non-DBOF)	2198	24	- 2222	0
Printing and Reproduction	7	0	- 7	0
Equipment Maintenance by Contract	1642	18	- 1660	0
Facility Maintenance by Contract	1665	18	- 1683	0
Equip Purchases (non-DBOF)	1885	20	- 1905	0
Studies, Analysis & Evaluations	416	5	- 421	0
Other Contracts	36634	403	-37037	0
TOTAL OTHER PURCHASES	49546	524	-50070	0
GRAND TOTAL	89977	1535	-91512	0